# Herald international Tribung PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Tuesday, February 8, 1994

# Wall Street Stabilizes, **But Trend** Still in Doubt

Despite Dow's Rebound, Investors Are Cautious On Future of Bull Run

> By Lawrence Malkin mal Heroid Tribune

NEW YORK - The stock market regained its composure Monday, but there were as many opinions as investors on whether the uptick in U.S. interest rates would eventually pull money out of stocks or just cause a blip in the indexes.

Volatility was the only sure thing.

The Dow Jones industrial average moved sideways during the morning but rallied to close up 34.90 points, at 3,906.32. The Dow outperformed the broader market because its bluechip issues represented a haven in stormy weather. Positive news for Ahuminum Company of America and International Business Machines Corp., two components of the Dow, helped draw funds into those issues.

But investors were edgy, with the American

European stock markets posted moderate de-clines, but prices fell steeply on many Asian bourses. Pages 11 and 13.

Stock Exchange index holding slightly lower and the Nasdaq over-the-counter index near

Bond prices also slipped, raising yields on 30-year Treasury bonds to 6.39 percent from 6.35 percent on Friday, with investors reckoning that uncertainty guaranteed a defensive interest rate rise of another quarter percentage point in the next month or so.

There was no panic, but the big question was whether this meant the flood of cash that has floated the market up almost 1,000 points in 18 months was finally drying up. And if it was,

where would the money go next?
Although long expected, the amnouncement
Friday by the Federal Reserve Board that it was raising interest rates for the first time in five years signaled that financial markets had moved into a new world of market psychology, with money lighter and rates rising gradually as

the reconomy strengthened.

That knocked the Dow-down 96 points, or 2.4 percent, before the peekend and left market analysis wondering what the change would do furling the boom by taking their money out of low-yielding money funds and putting it into

stocks, minual funds, and — a novelty for American investors — foreign stocks. One imponderable is whether this flow abroad will continue. This seems doubtful if the dollar continues rising and the U.S. market continues to drop, sticking investor confidence in global stocks, said Vivian Lewis, editor of Giobal Investing, a dewsletter specializing in

international stocks. "Anybody who gets out of Wall Street believing that the end is nigh is certainly not going to go into places like Malaysia," she said. "Investors will look for safety. As for Europe, right now there is a palpable movement into the

dollar, so strong that you can feel it."
Hugh Johnson, of First Albany Securities, predicted the U.S. market would drift down because average dividend yields on stocks in the Standard & Poor's 500 index are only 26 per-

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A Bosnian Muslim digging a grave Monday for one of the victims of the mortar attack.

# Allies Want U.S. Action But What, Where, How?

### **Clinton Administration Is Shadowed** By Johnson's Fatal Move in Vietnam

By Craig R. Whitney
New York Times Service
BONN — The United States and its NATO allies are approaching another turning point in the history of their failure, and that of the United Nations, to halt the atrocities on Eu-

Onlife Nations, to half the afrocities on Europe's eastern doorstep.

On Monday, in outraged reaction to the deaths of 68 people in Sarajevo over the weekend in a mortar attack that may or may not have been launched by Serbs besieging the city, the 12 countries of the European Union met in Brussels and threatened "all the means necessary, including the use of air power," unless the siege ended

siege ended.
But they remained divided about how and when to actually carry out the threat, just as they were last May when the United States came to them with a proposal to use air power to try to bring about a negotiated settlement. Now as then, the Europeans will not act unless the United States leads them into action, and, now as then, there are many good reasons wby

For nearly two years, the European allies have tried but failed to bring about a negotiated settlement to the war in Bosnia-Herzegovina. The allies have also consistently rejected the idea that a settlement could be imposed by outside military force.

The Europeans rebuffed the Clinton administration last spring when it proposed lifting the arms embargo on all of former Yugoslavia to give the Bosnian Muslims a chance to arm themselves in self-defense, and bombing the Serhs' artillery positions and supply lines unless they agreed to peace.

Since then, the United States has persuaded the NATO allies to threaten the Serbs with bombing if they did not stop their attacks, but the Europeans have been reluctant to carry out the threat, with the British the most reluctant of all because of the possibility of retaliation against their troops on the ground with the UN in Bosnia

So the North Atlantic Treaty Organization

agreed last August not to drop any bombs unless the UN secretary-general, Butros Butros Ghali, asked it to.

Will he? Diplomats and officials in Europe are not clear about this, nor even about whether air strikes would do any good. What they are clear about is that the alliance will do nothing in Bosnia unless the United States leads the way, and that whatever Mr. Clinton decides will determine the future credibility of his administration and of the alliance as well.

Frustration over past failures has created a climate of extreme caution and even distrust. At the European Union foreign ministers meet-

#### **NEWS ANALYSIS**

ing in Brussels on Monday, the British were still hesitant, and some officials here suspect that the French were looking for a way to make the United States look responsible if they decided to withdraw their forces from Bosnia. Chancellor Helmut Kohl, whose country has

no troops there and no plans to send any, concluded after the NATO summit in Brussels last month that the countries with troops in Bosnia felt that the mission was becoming

"There is a tendency by some countries," the German foreign minister, Klaus Kinkel, said last week, "to wonder whether it makes sense to keep peacekeeping troops there if there is no willingness to make peace, and I admit that I can understand them."

European and American military and political officials in Bonn agree that the only way to impose peace in Bosnia now would be by send-ing in a large, U.S.-led international force like the one that expelled Iraq from Kuwait three

The United States is not ready, NATO is not prepared, to send armies into Yugoslavia to enforce an agreement against the will of the peoples there," Secretary of Defense William J. Perry said at a meeting of European defense

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# Christopher **Sees Decision** On Sarajevo Within Days

#### Blaming Serbs in Attack, He Says NATO Options Go Beyond UN Scenario

Compiled by Our Staff From Dupatches
WASHINGTON — Secretary of State Warren M. Christopher accused Bosnian Serbs on Monday of a pattern of sbelling against civil-ians and said that NATO would decide on a response within days.

Speaking at a State Department press conference, Mr. Christopher reaffirmed that a "whole range of options." including military retaliation for the mortar attack on the market in the Old Town of Sarajevo, were under consideration by the Western alliance.

Mr. Christopher said the possibilines for retaliation go beyond those posed by the UN secretary-general, Butros Butros Ghali, who asked NATO on Sunday to approve punitive air strikes following the attack. Sixty-eight people were killed and more than 200 wounded by

the mortar that hit the market Saturday. "We will respond to the specific, rather narrow request of Buttos Ghali, which we think is appropriate and will support, but we will not be limited to that," Mr. Christopher said. President Bill Clinton said in Houston that

the United States supported the UN request for retaliatory air strikes.

"I have directed our representatives at NATO to support the secretary-general's re-

quest when it is discussed there in the next couple of days," he said.

Defense Secretary William J. Perry said Monday that the United States would propose options to NATO this week for allied action in

Bosnia, possibly including air strikes,
"By Wednesday, we will be telling the world
what we believe in this area," he said. "We will have a concrete set of proposals about how to

deal with the problem."

"The issue is what strategic options can be taken that can somehow accelerate the peace process and get it to a quick and satisfactory conclusion," he said.

"To the extent any use at all of air strikes furthers that strategic objective, then it is worth consideration. To the extent air strikes slow that down and put it off the track, we ought to reject them categorically."

Mr. Christopher did not explain what other actions might be taken, but he said that agart from the attack Saturday -- for which there was only a strong presumption of Bosnian Serb responsibility — the Serbs had carried out a series of assaults on civilians.

While acknowledging that there has been no official finding that Bosnian Serbs fired the mortar into the marketplace, he said Serbs were found responsible for the recent shelling of a food line and other attacks.

The death toll from Saturday's shelling "was not only the worst since this tragic conflict began, it is also a part of a pattern of shelling of civilian areas by Serh artiflery that has contin-ued despite NATO's repeated warnings." Mr.

Christopher said. "We expect that the North Atlantic Council will decide on a course of action or an overall

strategy" in a few days, he said. Mr. Christopher's statement came as the chairman of the House Foreign Affairs Committee called for using NATO air strikes against the Serbs besieging Sarajevo, and a senior Republican senator said it was time to end the indecisiveness of NATO.

The committee chairman. Representanve Lee H. Hamilton, Democrat of Indiana, and Senator Richard G. Lugar. Republican of Indiana, agreed during a joint appearance on NBC on Monday that it was time to use air power. but they differed on how broad the military response should be.

Mr. Hamilton said air strikes were "in order See BOSNIA, Page 5

# Clinton's '95 Budget Blueprint: A Tight Design

Congress a \$1.5 unifion budget proposal that reflected the government's liscal constraints, combining a range of spending cuts with modest new initiatives to promote technology, fight crime and expand educational opportunity. . .

Administration officials said the plan represented a reordering of the national priorities. But there is little sweeping or grand in the administration's budget blueprint.

Financing for major policy goals, such as overhauling bealth care and welfare, will either be proposed later or presented, for accounting purposes, as separate from the budget.

Instead, Mr. Clinton and his fiscal advisers have produced a budget plan that is permeated by the bitter reality facing a Democratic president who came to office with grand ideas but

with little money to pay for them.

White House officials said the new budget, which would reduce appropriations for seven of the 14 cahinet-level departments and reduce the projected deficit to \$176 billion from \$302 billion, would set the nation on the correct path.

Military spending, however, will continue to rise.
"If the Congress adopts it, it will keep the deficit coming down, it will keep interest rates down, it will send a clear signal to the Fed and to the rest of the world that we mean business and that the investment climate will continue," Mr. Clinton

said in a speech to a business group in Houston. "These lower interest rates, if they can be maintained, will save over \$20 largest culprit in the entitlement programs right now in terms billion in deficit in next year's budget alone and over \$150 of being out of control." billion in the next five years."

Much of the shape of the proposal was determined by the deficit reduction agreement passed last year, which set targets for taxes and spending for the next few years. In addition, the portion of the hudget going to entitlement programs and

Military spending to contract I percent after inflation. Page 5.

interest on the national debt has steadily risen for the last decade. That leaves Mr. Clinton little room for maneuver. As a result, administration officials said, much of the presi-

dent's proposed budget is designed to lay the groundwork for the battles to come over the health care plan. Mr. Clinton and his aides emphasized that the decline in the projected deficit represented the first time the deficit has dropped for three consecutive years since Harry Truman was

But Leon E. Panetta, the White House budget director, said the deficit could continue to shrink only if the fastest-growing areas of the budget - including health care spending - were

"If we want to stay on the deficit-reduction track that we're now embarked on," he said, "we've got to begin to address

brought under control.

Administration officials were happy to emphasize the pain

of cutting the hudget, including actions they said would redi-rect money from operating subsidies for mass transit, heating aid for the poor and public bousing constructions to more efficient programs that serve the same needs.

Yet, the budget also contains about \$8 billion in new

spending for programs ranging from Head Start and communi-ty policing to drug treatment and job training. The Associated Press reported from Washington: Republicans welcomed the cuts Mr. Clinton proposed, but

chastised him for using some of the savings to beef up other programs. Senator Pete Domenici of New Mexico, ranking Republican on the Senate Budget Committee, said: "They aren't really reducing the deficit because the savings don't get applied to the

deficit. The savings make room for other spending. Because of a robust economy and the deficit-cutting pack

age, the president projects next year's shortfall at \$176.1 hillion, the best showing since the \$152.5 billion gap of 1989. That is also \$126 billion less than Mr. Clinton had expected for 1995 a year ago. The government would spend \$1.518 trillion

See BUDGET, Page 5

# Listening In on a Very Deep U.S. Secret Special Spy Submarines Comb Ocean Floor for Military Data

By William J. Broad

New York Times Service
NEW YORK — The United States has for decades operated a fleet of specially equipped submarines whose secret work is to comb deep waters for military intelligence virtually unob-tainable by any other means, experts in naval warfare say.

These spy submarines are the navy's counterpart to recompaissance satellites. They can not only examine distant objects on the ocean floor but in some cases retrieve or manipulate them.
The naval experts said objects of interest

include lost ships, submarines, planes, weap-ons, rockets, spacetraft and nuclear warheads, as well as functioning equipment, such as other countries' undersea cables and listening de-

A vivid example of the spying technique was recently given to Congress by a former senior navy official who disclosed an early mission of one of these submarines, the Halibut, to examine a sunken Sovier submarine in the Pacific in

The naval experts said the Hahbut was the first in a series of these submarines, which constitute a new class of U.S. submarine made to lower gear-laden cables for deep reconnaissance, recovery and manipulation. Typically, the experis said, aged attack submannes, which are primarily used to hunt missile-carrying subs of other nations, are converted for the role, with

three or four operating at any one time. The method, highly classified for more than a quarter of a century, is important, the experts said, because it is still used by the United States and perhaps by other countries, such as Russia. The disclosure of its existence, they said, may have repercussions for military budgets and

international diplomacy.

In great secrecy, the submerged subs can drop miles of electronic cables to the ocean floor and use them to run complex gear for deep recomaissance and recovery. Most submarines are easily crushed by pressure if they go too deep, so the long cables extend the navy's operational depth into the abyss. Unlike surface ships, the submarines are

spy satellites and, when stationary and silently deploying their deep-sea gear, are nearly invisi-ble to acoustic detection.

The first of these subs performed a recon-naissance feat that long preceded the widely publicized and much-disputed case of the Glomar Explorer, the 618-foot (189-meter) ship built for the CIA to raise a Soviet submarine that in 1968 sank in Pacific waters more than three miles (nearly five kilometers) deep.

Among the prizes presumably carried by the sub were nuclear arms and gear for sending and receiving coded communications. The Explorer's 1974 recovery effort, which cost more than half a billion dollars, was only partly successful. Six years earlier, the nuclear-powered Halibut used the deep-spying technique to explore the site shortly after the Soviet sub had sunk. John P. Craven, an engineer who helped organize the operation while he was the director

See SPY, Page 4

of the navy's Deep Submergence Systems Pro-



Michael Jordan, the retired NBA star after a workout Monday in Chicago. He has signed with the White Sox Class AAA affiliate in Nashville. Page 17.

### Kiosk

### **Kazakhs Anxious** Over Russia Aid

ALMA-ATA, Kazakhstan -- The leader

of Kazakhstan said Monday that the United States and the West were encouraging Rus-sian imperial ambitions by providing aid to Moscow while neglecting the other former President Nursultan A. Nazarbayev said that, because of the aid, "Russia thinks it can do anything it wants with us." The West should "emphasize that aid will be given

only if Russia follows a democratic path," he said, adding, "You should stick to this in Business/Finance Britain's top financial official called Europe's

monetary-union plan "unrealistic." Page 9. Book Review

Crossword

# Hope Is Fading For Inspections In North Korea

By R. Jeffrey Smith Washington Post Service

VIENNA - As North Korea's decision to spurn nuclear inspections marks a one-year anniversary this month, the time for negotiating with the hard-line Communist state by most

accounts has nearly run out. Officials in Washington desperately have sought to keep the prospect of a diplomanc solution to the inspection dispute alive, even to the point of seeking orivate assurances from the International Atomic Energy Agency last December that the matter was not ready to be referred to the UN Security Council.

But the Vienna-based inspectors and senior staff of the atomic agency, who have tried repeatedly and unsuccessfully to get North Korea's compliance with a 1992 inspection pledge, said in interviews here that they had exhausted their patience for niggling with the country and would be satisfied if the agency's board of governors handed the matter off to the United

Nations. Several senior U.S. officials, including a fervent supporter of the yearlong diplomatic effort, said last week that they agreed that North Korea must accept inspections of all of its declared nuclear facilities no later than Feb. 21-22, when the atomic agency's board is scheduled to discuss calling for Security Council

That stance represents a reversal of the Clinton administration's long-standing desire to put off a direct confrontation with the Communist nation by buying time for more diplomatic dialogue aimed at opening up North Korea's nuclear facilities to international inspection. The administration's aim bas been to avoid

See KOREA, Page 5

#### Down ິບp 34.90 0.91% 116.00 3,905.32 The Dollar 1,4775 109.25 106.60 5.962 Newsstand Prices

Anderro 9:00 FF Libernbourg 60 L Fr
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ivory Coast 1,720 CFA Turkey T.L 12:000
Jordon 15:00 U.S. Alii. (Eur.) \$1.10

# Gaza's Graffiti Artists Turn Less Anti and More Pro

By David Hoffman Washington Post Service GAZA CITY, Israeli-Occupied Gaza Strip - With delicate

brush strokes, Maysara Baroud gave life to the illustration of a snake wrapping around an olive tree in pursuit of an eagle. What was unusual about Mr. Baroud's painting was not the familiar symbols of Palestinian nationalism, including the

checkered kalliyeh scart on the wings of the eagle and the minarets of Jerusalem in the distance. What made this painting stand out was its location. Mr Baroud's gallery is the sandy streets of the Israelioccupied Gaza Strip, his canvas the side of a triend's cinder-block house. His admirers are the neighborhood youths who

Mr. Baroud, 18, is among a new genre of Palestinian street painters who have emerged since the peace accord was signed between larged and the Palestine Liberation Organization on Sept. 13. Suddenly, the walls of Gaza are blooming with caricatures and colorful morals.

More significant, the tone of their work is becoming some-what less antagonistic toward Israel and more celebratory. There are still illustrations of Kalashnikovs and knives, but the walls are now filling with slogans extolling Palestinian leaders Although Mr. Baroud portrayed Israel as a snake in his last

painting, he said that as soon as the Israeli soldiers begin pulling out of Gaza, "I will draw a picture for kids to tell them the era of stones is over." The walls of Gaza are the Palestinians' version of a news ticker tape. Gaza has no local daily newspaper, and the Arabic papers from Jerusalem that circulate here are censored by

Israel. So the walls are a media outlet - what some Palestinians call a "newspaper without censorship." Ossama Ali Issa, a tailor by trade and aspiring artist by hobby, was gazing out the window of a Gaza taxi recently as the endless, flowery graffiti whizzed by. On one wall, the freshly painted word "Palestine" in Arabic turned into a boat, with an automatic rifle as the mast.

"Anybody can do that," Mr. Ali Issa, 28, said with a grimace. "Anyone can write graffiti, even with spelling mistakes. But painting, only the artist can do it. And a good picture, like a caricature, needs no further comment." The art also reflects volatile public opinion. The Palestin-

ians' mood soared after the peace agreement but has since plummeted as Israel's withdrawal has been delayed. Grand tributes to the PLO chairman, Yasser Arafat, have been defaced in some neighborhoods. What is surprising about the street artists is that most are not

young firebrands, but dedicated artists, not the type to be slipping out in the night in masks, with cans of spray paint. Fayez A. Sirsawi, director of an art program at the Gaza YMCA, said the political struggle often overwhelmed artists, especially the young. Before and during the intifude, he said "art was provocative and fulfilled political ideas." He added: "But after the peace agreement, you could feel the change. We looked at the walls, and we found they were more optimistic

# Outfitting an Army? East Germans Are Deep in Surplus

By Rick Atkinson

FURSTENWALDE, Germany — They come in groups, and they come alone. They come from farms and villages in Eastern Germany, or from Hamburg and Munich and other big cities in the West. They come by the thousands to a drafty warehouse in the middle of nowhere for what may be the world's biggest cash-and-carry rummage

For sale: One army, slightly used. Outside this rural town, 32 kilometers (20 miles) east of Berlin, the final dismemberment of the defunct East German Army bas begun with a huge clearance sale.

Here, the German government is amassing the more prosaic items once needed to keep a half-million troops in fighting trim: binoculars and buckets, tarpaulins and tire pumps, shovels and signal flags. Every-

"If we determine that the prices are too

By Tom Buerkle

BRUSSELS - For Sir Leon

Brittan, the European trade chief, a

hectic travel pace didn't stop with December's world trade agree-

push for lower tariffs, these days

Sir Leon is making the rounds of European capitals to press his can-

didacy to succeed Jacques Delors

as president of the European Com-

With visits to The Hague, Rome and Madrid in recent weeks, Sir

Leon has sought to capitalize on

the accolades he won for pulling off a trade deal that satisfied free-mar-

keteers in Britain and Germany while still giving France conces-

Keeping his name in the headlines appears to be the best way of

sions on agriculture and movies.

taking on the perceived front-run-

Ruud Lubbers of the Netherlands.

vigorous fights against state aid to

week, he boasted to the Spanish daily El Pais that although Britain

ish government."
The unusual public campaign

sheds some light on the secretive process of picking a president of the European Commission, the Eu-

ropean Union's executive agency.

The decision normally is taken be-

hind closed doors by heads of gov-

ernment, who are expected to

anoint a successor at their summit

meeting on the Greek island of Corfu in June.

The race also comes at a critical

time for the commission, which is

largely bereft of direction as Mr.

Delors approaches the end of his

10-year reign this December and

most of his 16 commissioners pre-

**New York City?** 

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HEAR

After the fast-paced innovations

Visiting \*\*

pare to depart.

per for the post, Prime Minister

fense of free trade last year and his mouth shut."

Washington, Tokyo and Geneva to trator.

**President Brittan?** 

**Tries the Hard Sell** 

**Europe Trade Chief** 

But rather than shuttling to initiator and more of an adminis-

"As he's a challenger, he's making a real campaign," said a Enropean Union official in Brussels.
"That is his chance. The question is, will Paris back him?"

Luhbers is keeping a low profile. His spokesman said the Dutch leader was more concerned now about local and parliamentary elections in March and May than in Enropean effects.

Sir Leon has been trying to moderate his image as an economic ultraliberal, earned through his deat this moment is to keep your

industry in his previous post as Europe's competition commission-

Prior to his visit to Madrid last tive Party could ever put forward.

was supporting his candidacy, "Ev- said his trips were part of an effort

erybody knows that my views aren't the same as those of the Brit-Round trade deal.

high, it's possible that we'll lower them to sell it all. Two more warehouses will later," said Peter Dirfard, operations director for the company supervising the sale for Bonn. "But right now we're selling every—

As customers laden with booty exit soldiers, and now it's going down to been donated to charitable organizations around 360,000, so they have a great surplus of their own."

In Fürstenwalde, however, the offerings do not get much more exotic than pickaxes

On a recent day, 1,500 buyers swept through the warehouse spending 108,000 Deutsche marks (\$61,000). They paid \$1.40 each for 5-liter (1.3-gallon) jerricans; \$3 for big glass jugs suitable for fermenting homemade wine, and \$11 for leather map cases, complete with colored pencils, stopwatch and straight edge.

Perhaps the most popular items are Zeiss binoculars at \$85 a pair. More than 3,000 have been sold since the warehouse opened Dec. 16. Some profess interest in birdwatching. Reimund Schmidt, a retired East Berliner, joked that his pair would be handy for keeping an eye on the neighbors.

So much matériel has been found in about 80 East German depots that Mr. Dirfard estimates it could take three years

of the past decade, when the Delors

laws to establish Europe's single

market and was a driving force behind the Treaty on European Union, many EU officials believe

the commission should be less of an

"We have to turn into an imple

Whatever the commission's role,

candidate to take charge of it,

mentation agency," said an official close to Sir Leon.

Mr. Lubbers remains the most-like-

ÉU officials say. As a Christian

Democrat from a small state that

has never beld the presidency, he

would be an ideal successor to Mr. Delors, a French Socialist,

the past 11 years, he is one of the

senior members of the exclusive group that will make the final deci-

Moreover, as prime minister for

"He's from the club," the EU

As the inside candidate, Mr.

Sir Leon also hails from the po-

ers say be is the most pro-European

candidate that Britain's Conserva-

Officially, Sir Leon also denies

But Sir Leon's travel agenda has

extended beyond trade, including

sympathetic comments about Italy's efforts to privatize its deht-

ridden state industries and open its market to imports of Japanese

antomohiles, and support for

Spain's demands for a more-active

EU policy toward the countries of North Africa.

Next month, he is due to publish a book entitled, "The Europe We

Need." Officials close to him say it

will encompass ideas be has spelled

out in recent months to bridge the

gap between Euro-skeptics and in-

tegrationists, such as calling for

more-independent interest-rate

policies by member states while

but more than just a glorified free-

dating their demands during the

trade talks should be repaid with

the presidency. His supporters are confident, pointing out that France has clashed often with the Nether-

Vietnam Punishes Nostalgist

lands over its free-trade policy.

Luhbers is keeping a low profile. His spokesman said the Dutch

through one door in the Fürstenwalde warehouse, forklifts haul in new crates of pickaxes and tire chains through another.

Not to be found in the inventory here are the more lethal trappings of East German military power. Since shortly after German reunification in 1990, the Bonn government has been selling, scrapping or refur-bishing the immense armory inherited from the East. That includes nearly 600 modern tanks, 295,000 tons of munitions, more than a million pistols and 4,500 tons of rocket propeliant.

Less than 20 percent of the arsenal is considered usable by the German military or other federal agencies. That includes 24 MiG-29 fighters and nearly 900 armored personnel carriers.

But, as Mr. Dirfard noted, Bonn's

German materiel is excess, including and barrels of hand soap. Few buyers seem tanks and 251 MiG-21s.

Some equipment has been demilitarized and sold abroad, including many of the East German Navy's 192 ships. Scores of MiGs and hundreds of armored vehicles and artillery tubes have been cut into

German officials stress that they are taking pains to prevent surplus weapons from falling into the wrong hands.

In addition to weapons, the government is disposing of 85,000 East German Army vehicles, including 52,000 trucks. At least 9,000 vehicles have been sent to Russia and other republics of the former Soviet Union; thousands of others are on public cils and stopwatch, is a new slide rule, a sale at huge lots. Field kitchens, sanitation quaint artifact abandoned by American

26.346 rocket-propelled grenades, 549 T-72 animated by sentimental impulses; most, like the hunter from Brandenburg buying a set of infrared lights "to keep my dogs warm," are looking for bargains.

volume of stuff suggests how much of East Germany's wealth went into outfitting its army. Here, for example, an enterprising mechanic can find not a few odds and ends for his tool chest but thousands upon thousands of wrenches.

This was an army which was very well

equipped," said Mr. Dirfard.
This also was an army that in subtle ways was as anachronistic as the political system under which it served. A single example speaks volumes. Included in each handsome map case, amid the colored penpreunification army "had about 490,000 equipment and power generators have officers 20 years ago in favor of calculators.

Ukraine to Join New NATO Program

KIEV (NYT) — Ukraine announced over the weekend that it would join NATO's new program for military cooperation with East European. Foreign Minister Anatoli Zlenko is to sign an agreement with NATO at its headquarters in Brussels on Tuesday, making Ukraine the first former

Soviet republic apart from the Baltic states to join the West in military soviet republic apart from the bathe states to join the west in initiary cooperation, the news agency Interfax-Ukraine reported Saturday.

The Western military alliance has promoted the cooperation program, known as the Partnership for Peace, as a step toward full NATO income warsaw Pact countries. The program includes income military and training agencies with NATO Illeging has assented to joint military and training exercises with NATO. Ukraine has agreed to dismantle its arsenal of former Soviet nuclear weapons.

### Iran Holds 20 in Assassination Plot

TEHRAN (Remers) - Iran said Monday that it had arrested more than 20 "morally corrupt" suspects in a plot to assassinate President Hashemi Rafsanjani last week, including some linked to leftist groups.

Intelligence Minister Ali Fallahiyan, who is in charge of internal security, told the newspaper Hamshahri that Kourosh Nikakhtar, a man held after shots were fired when Mr. Rafsanjani was making a speech last Tuesday, was a member of a "clandestine terrorist group."

"More than 20 of the central core of this network who were somehow

involved in the plot," the minister said, "had knowledge of the assassingtion plan or had cooperated have been arrested." He added that those arrested were "morally corrupt, drank alcohol and were drug addicts."

### Opposition Figure to Lead Costa Rica

SAN JOSE, Costa Rica (AP) — Jose Maria Figueres, the opposition candidate and son of a revered political patriarch, won Costa Rica's presidential election Sunday, promising to slow free-market reforms and

presidential election Sunday, promising to slow free-market resolute and to provide programs for the poor.

With more than two-thirds of the vote counted, Mr. Figueres had 632,075 votes, and the economist Miguel Angel Rodriguez had 601,885 votes, the Supreme Election Tribunal said.

During the acrimonious campaign, Mr. Figueres, son of a three-time president, José (Pepe) Figueres Ferrer, promised to provide welfare programs for thousands of poor Costa Ricans. At 39, he will be the country's youngest president.

#### Peru Guerrillas Set Off Blast in Lima

LIMA (Reuters) — Maoist guerrillas exploded a car bomb at Peru's air force headquarters in central Lima on Monday, killing two people, wounding several others and damaging a building, authorities and

Shining Path guerrillas drove the car with an undetermined amount of explosives into an empty three-floor building at the complex that was to be the future home of the air force museum, police and air force officials

A passing taxi driver and a passenger were killed when the bomb exploded, the police said. Two others were seriously wounded, and an undetermined number suffered light injuries in the explosion, they added.

#### Former Italian Banker Surrenders

MILAN (Reuters) — The former chairman of Italy's largest savings bank, who has been accused of corruption, surrendered on Monday to the

authornics.

Roberto Mazzotta, chairman of Cassa di Risparmio delle Provincie, Lombarde, turned himself in at a border post with Switzerland north of Milan. Investigators issued an arrest warrant for Mr. Mazzotta last Monday, when he was out of the country, as part of a probe into property deals by the bank's pension funds between 1985 and 1992.

Carlo Polli, a deputy chairman of the bank, and two senior officials, including the head of the bank's pension fund, were arrested a week ago.

#### For the Record

The International Federation of Newspaper Publishers has mamed Omar Belhouchet, the director of the Algerian daily El Watan, as the recipient of its annual press freedom prize.

#### Correction

Because of an editing error, quotes in a dispatch from Beijing in editions of Feb. 5-6 were mistakenly attributed to John Kamm, an American human rights advocate. Mr. Kanim did not comment on three dissidents released from Chinese prisons. Remarks about the distidents were made by a Chinese intellectual with high learning overconnect contacts, who was not identified in the dispatch. The international Herald Tribune

#### TRAVEL UPDATE

Malaysia Inaugurates Superhighway

KUALA LUMPUR (Combined Dispatches) — Malaysia on Monday

officially opened a 890-kilometer (550-mile) superhighway running the
length of Peninsular Malaysia, completed more than 15 months ahead of
schedule but at a stagegring cost.

schedule but at a staggering cost,

Most of the highway was ahready open to traffic, and officials opened,
the final 30 kilometer stretch from Tapah to Gopeng. It is a four-land highway with 72 multilevel intersections and 60 tollgates.

The highway, from the peninsula's northern border with Thailand to.

the causeway with Singapore in the south, cost 5.9 billion ringgit (\$2.36 billion), up from the original forecast of 3.4 billion ringgit, officials said. Work on the highway began in 1989.

(AFP, AP)

than a poll.

Work on the highway began in 1989.

Work on the highway began in 1989.

Most of Calcutta's trainport operators stopped work on Monday to demand higher fares to offset a rise in fuel prices, crippling India's biggest, city.

(Reuters) Authorities at the Yala, Sri Lanka, wildlife park are planning to introduce shorter visiting hours, more prohibited zones and limits on

safaris to deal with an ever-increasing tide of tourists. Turkey will rebuild the 472-year-old bridge in the Bosnian city of Mostar that was destroyed by gunfire last year. Foreign Minister Hikmet, Cetin signed a reconstruction agreement Monday with the visiting Bosnian culture minister, Enes Drakovic.

(AP)

Longshoremen stopped work at Marseille's main passenger port one. Monday when 300 riot policemen backed by armored vehicles entered the port area to take over gates controlled by protesters. Employees of the Sud Marine construction firm, which is in receivership, have been became the stopped of the stoppe

blockading the gates since Wednesday.

### Venice and Mainland Mestre **Vote Down a Bill of Divorce**

The Associated Press

VENICE—The 68-year union of Venice and Mestre, its industrial neighbor on the mainland, has withstood another test. For the third time in 15 years, voters defeated a referendum proposing a divorce. The proposal was rejected by a 56-to-44-percent margin, in the nonbinding referendum Sunday.

Proponents said a separation would let Venice better attack its special problems, including pollution and frequent floods. The two cities were joined in 1926, when Venice had nearly 200,000 people and Mestre 20,000. Since then Venice has shrunk to 62,000 people while Mestre has more than 200,000. while Mestre has more than 200,000.

MCI

Michael Senf, left, and Andreas Wember, second from left, with their lawyers Monday after receiving long prison sentences.

# German Neo-Nazis Are Imprisoned for Killing

WUPPERTAL, Germany - Two German skinheads and a Polish-born bar owner were imprisoned Monday for kicking and burning a man to death because they thought he was

Andreas Wember, 26 was sentenced to 14 years in prison, Michael Senf, 20, received eight years in youth detention. The bar owner, Marian Jan Glensk, 32, received 10 years

Mr. Wember bowed his head, Mr. Senf looked troubled and Mr. Glensk swallowed hard as the presiding judge, Rolf Watty,

handed out the sentences after finding them guilty of murder and inflicting grievous bodi-Judge Watty said Mr. Wember and Mr.

Senf, encouraged by Mr. Glensk's remark that "Jews have to burn," brutally attacked Karl Hans Robn, a Wuppertal butcher in November 1992. They had been drinking Judge Watty said: "As long as there are

ed and killed in concentration camps and gas chambers we must take it upon ourselves to be especially watchful against right-wing ex-

tremist developments." Defense lawyers said they would appeal. Mr. Glensk, after hearing Mr. Rohn say he

was half Jewish, shouted: "Jew! You must go to Auschwitz. Auschwitz must be opened up again. Jews have to burn." The judge said this had been an explosive statement that triggered the attack on Mr.

Judge Watty said Mr. Robn, who was not tions that he was half Jewish to gain sympathy from Germans who felt guilty about the

# Mandela's Harsh Message to Whites

New York Times Service
JOHANNESBURG — Nelson Mandela had watched a cow being artificially inseminated. He had cuddled some children and kicked a soccer ball for photographers. He had reveled in the intoxicating pandemonium of a star-struck black township.

It was time for the candidate to meet white voters, and the conventions of this Western-style political campaign seemed to call for an hour or two of gentle courtship.

still supporting the eventual goal of a single currency. In other words, no federal United States of Europe The 400 white businessmen and academics who waited politely in the civic center of Potchefstroom, a farm center in the Afrikaner heart-land, were moderates by local standards, not "Leon has to establish himself more in public in order to influence the inner circle," said an aide, "He hostile, but wary of the man they assume will be their next president. They hoped to be reas-

will certainly give Lubbers a run Instead, the man introduced to them as for his money."
Ultimately, aides and EU offi-"Comrade President Nelson Mandela" was less a suitor than a Dutch Reformed pastor facing a cials say Sir Leon's chances will rest on whether be can persuade congregation of sinners and brooking no ex-He upbraided them as selfish, hypocriti-Paris that his success in accommo-

cal and racist.
"You are interested only in whites, not in the people of South Africa," he scolded, exasperated by their appeals to be left alone and their fears of the Communists among his friends. "Why should I even listen to you?"

He had words of reconciliation, too, but the essential message was clear: You are not in

charge here anymore. Get used to it.
With nearly 12 weeks until South Africa's first free elections in April, and some parties still deciding whether to join the contest, there has already been a palpable shift of power from the lame-duck white government to the black majority, and to the main custodian of its aspirations, Mr. Mandela.

As be barustormed this week across three of South Africa's four provinces, be was no longer the negotiator and compromiser. He was re-

establishing himself as the man who will bring dramatic changes. Mr. Mandela's itinerary is a daily reminder

of how much remains to be change Despite the repeal of segregation laws, South Africa remains, by force of social pressure and economic inertia, a constellation of separate The candidate's schedule listed a series of

white towns - Potchefstroom, Sasolburg, Bothaville, Kroonstad - with cozy houses, neat lawns, paved streets and supermarkets.

But usually the Mandela motorcade bypassed the comfortable white towns accus-

#### We have buried that National Party on which you pin your faith.'

tomed to being the center of attention and headed for the custy, impoverished satellites where the newly enfranchised majority lives. These places — Ikageng, Zamdela, Kgot-song, Maokeng — are sometimes unmarked or mislabeled, and always out of sight of the white minority. But they are more populous than the

white towns and growing with a relentless accretion of squatter shacks.

As Mr. Mandela passed the commercial areas where all races shop, many blacks stepped forward and raised their fists, while whites

retreated into doorways and glowered.

The motorcade would roll onto a barren soccer field surrounded by rickety bleachers. and the township would erupt in a show of delirium surpassing even the one that greeted Mr. Mandela's release from prison four years

ago. This, after all, is their own release.

The throngs hung from lampposts and clung to fence tops. They filled the bleachers under a blaze of sun umbrellas, and climbed to the

corrugated iron canopies, chanting and danc-Poll-takers reckon Mr. Mandela's support

among whites at 1 or 2 percentage points. In the black townships it seemed that his support. could be better measured with a seismograph

band played, former guerrillas arrived in cam-ouflage uniforms, and women's choirs paraded, singing: "Forward we are marching to the peo-The message Mr. Mandela brings to black

voters is ambiguous. As the man whose party is expected to dominate the next government, he wants to dampen utopian expectations. And so he counsels real-But as a candidate who craves the largest

possible majority, he wants voters to understand that he did not bargain away their futures in all those years of negotiations with President Frederik W. de Klerk. He intends to be the president of the neglected. Towards whites and political opponents Mr.

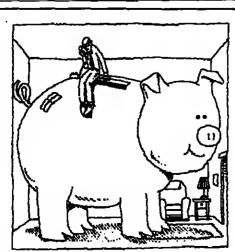
Mandels urges tolerance, often illustrating the point by appearing with white officials from nearby towns, or by reminiscing about the kindly Afrikaner jailers who, during his 27 years in prison, brought him newspapers and extra rations and called the inmates "gentle-

He rebukes those who have heckled Mr. de Klerk and menaced canvassers for rival parties. But he no longer talks of coexisting with Mr. de Klerk's National Party after the elections. He talks of crushing it.

We have buried that National Party on

which you pin your faith," he told the whites in Potchefstroom. "The National Party, after April 27, will be a forgotten factor in this

Snites \$160 & up Agence France-Presse Group Rates Available HO CHI MINH CTTY - A 52-Call Gen. Mgr. Tom O'Brien Fax 212-505-0535 year-old man who unfurled the flag of the former South Vietnam dur-ing Ho Chi Minh City's first inter-Telex 688-755 (212) 475-4320 national marathon in December 1992 has been imprisoned for 15 GRAMERCY PARK HOTEL years, an official newspaper report-ed Monday. 21st St. and Lexington Ave. NYC Member of Utelt International



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# THE AMERICAS / POLITICAL AFTERSECCIS

# \* POLITICAL NOTES\*

Balanced Budget: Social Security Threat?

WASHINGTON — Hitting one of the capital's most sensitive

WASHINGTON — Hitting one of the capital's most sensitive political across first, opponents of the proposed constitutional amendment to require a balanced federal budget have asserted that it would lead to cuts of \$1,000 a person in Social Security benefits.

The amendment's defenders disagreed, pointing out that lawniakers treat Social Security gingerly. And Senator Paul Simon, an Illinois Democrat, who is the measure's chief sponsor, said that, in fact, Social Security recipients would be helped by the amendment because it would strengthen the economy and reduce the deficit.

The Senate is expected to begin debating the proposed amendment late this month. As now written, it would require the federal budget to be balanced by 1999, but Mr. Simon said he would substitute a version delaying the deadline to 2001 to make the transition easier.

transition easier.

The amendment does not tell Congress and the president how to

the amendment does not ten congress and the president now in cut federal spending; it only says that they must.

Families USA and other groups supportive of the elderly asserted last week that if the budget was balanced with no tax increases and proportional cuts among all varieties of federal spending, that would lead to a \$1,081 cut in individual Social Security benefits in 1999, and about \$100 more in 2001.

When reporters challenged those assumptions, observing that in most deficit reduction packages, taxes have played a part, Ron Pollack, head of Families USA, said that except for Mr. Simon, most of the amendment's backers say they want spending cuts, not tax

#### Anti-Casino Sentiment Weakens in M.Y. State

ALBANY, New York — A long dormant proposal to legalize casino gambling in New York State is gaining broad support in the legislature, spurred by the wildfire spread and success of casinos along the Mississippi River, across the border in Quebec and on an

Supporters say casinos will create jobs, attract tourists and generate millions in tax revenues. But what is really driving the proposal forward this time is a weakening of the opposition. With casinos sprouting throughout the Northeast, it has become more difficult to argue that this is an aberrant industry best isolated in Atlantic City

"I always opposed it in the past," said State Senator Franz S. Leichter, a Manhattan Democrat, "But the fact is, it's really here and maybe we ought to let it happen."

The earliest a referendum on the proposal could go before voters would be November 1995.

Both sides acknowledged that pressure to pass a gambling bill was growing. Groups representing restaurant and resort owners from New York City, the Catskills, Niagara Falls, the Finger Lakes region

and the Adirondacks have begin lobbying in Albany.

But what has most revived the casino movement is the spread of Indian gaming, made possible under a 1988 federal law. In 1992, the Mashantucket Pequois opened a casino in Ledyard, Connection, that is earning more than \$26 million a month. (NYT)

### **Environment Agency Endorses Smoking Ban**

WASHINGTON - The Clinton administration has endorsed legislation to ban smoking in virtually all businesses and public buildings except in specially ventilated rooms.

The Environmental Protection Agency administrator, Carol Browner, told a House hearing the dangers of smoking to nonsmokers, especially children, justified the restrictions. The tobacco Indus-try said the bill was extreme and impusified. (Reuters)

#### Quote/Unquote

Representative Lee H. Hamilton, Democrat of Indiana, on possible air strikes in Bosnia: "I do not think you will find support among our allies for a very broadened, extended air war. What you're now seeing discussed, and discussed very urgently, are much more limited uses of air power, which I would support. I don't think we want to broaden this war. I don't think we want to make it a U.S. war." (AP)

# Earthquake Rattles California Politics

#### Aftermath Rearranges the Outlook For Wilson and Gubernatorial Rivals

New York Times Service

LOS ANGELES — The deadly earthquake that moved mountains and toppled buildings here last month also changed the political landscape of California, shifting the terrain in a crucial race that will pit an unpopular Republican governor against one of two Democratic challengers for his

There is widespread agreement that the earthquake on Jan. 17 breathed new life into the political fortunes of Governor Pete Wilson. The quake also jump-started the underdog primary campaign of John Garamendi, the state insurance commissioner, and raised questions about whether Kathleen Brown, the California treasurer and Democratic front-runner, is the inevitable winner she once seemed in the June primary.

The main beneficiary of California's latest calamity, political experts in both parties agree, is Governor Wilson, a practiced hand at coping with disasters. His job performance ratings improved in the weeks after the earthquake, according to a statewide poll.

The governor, who has issued disaster declarations for fires, floods.

nots, toxic spills and droughts in 56 of the state's 58 counties since taking office in 1991, toured the devastated areas after the earthquake in his trademark windbreaker and promised to press the Clinton administra-

tion for all the help the state needs. California seems to be on the verge of a federal windfall, with an \$8.5 billion aid package already approved by the House of Representatives. It is expected to clear the Senate this week and be signed by President Bill

Tony Coetho, a Californian who is a former Democratic leader in Congress, is one of many political analysts who gives Mr. Wilson high marks for his recent performance and points to an upswing in his ratings, which inched back last week to where they had been before protracted

budget battles in Sacramento two years ago. In the latest Field Poll, the governor gets a good or excellent job rating from 30 percent of Californians, up from 25 percent two weeks ago. And 34 percent now grade him as poor or very poor, down from 40 percent before the quake. The survey of 525 adults, conducted on Jan. 27-31, has a

margin of sampling error of plus or minus five percentage points.

And his job approval rating could get better, Mr. Coelho said. "It isn't even necessary that he have all the answers or deliver the goods. It's an attitudinal thing."

Mr. Garamendi, who trails Ms. Brown by 15 points in the polls, attracted attention after the quake by calling for tax increases to pay for rebuilding. The other candidates were more cautious.

"Because John is carving out a unique position, that helps him flesh out his identity," said Steve Merksamer, a Republican strategist who was chief of staff for Governor George Deukmejian in 1989, when an earthquake hit the San Francisco Bay Area, Mr. Deukmejian, otherwise adamant about holding the line on taxes, took quick action then by raising the sales tax one-fourth of a cent for 13 months, which yielded \$800 million for reconstruction.

Mr. Garamendi is urging a similar approach, calling for a temporary increase in the sales tax to rebuild, particularly schools, and a temporary increase in the gasoline tax to repair the damaged freeways and upgrade others to protect against future quakes.

Mr. Garamenti's call for new taxes contrasts sharply with the wait-and-see recommendations of Mr. Wilson and Ms. Brown.

The governor is pressing the federal government to reimburse the state for the entire cost of rebuilding, and says he prefers bond issues to taxes if more money must be raised. Ms. Brown says it is premature to call for new taxes until a full accounting of damages is made, which is expected this week. In the meantime, she has combed the books in the treasurer's office and identified \$1.3 billion available for reconstruction, from bond issues approved by voters but not sold, and from bridge loans.

Publicly, aides to both Mr. Wilson and Ms. Brown say that taxes that were appropriate after the 1989 earthquake are not appropriate today. The state was booming then, they say, but is mired in recession now.



PRESIDENTIAL PIGGYBACK — President Bill Clinton giving a ride to 3-year-old Timothy West on Sunday in Houston, where the chief executive met with cancer patients at a hotel. Timothy suffers from lenkemia and is waiting for a bone-marrow transplant.

#### **Away From Politics**

 NASA gave up Monday on releasing a science satellite from the shuttle Discovery because of a faulty guidance system. The \$13.5 million Wake Shield Facility, a 12-foot (4-meter) sancer-shaped craft, had been plagued with problems since the astronaut Jan Davis first tried dispatching it with the shottle robot arm Saturday morning Initial glitches were figured oot in time to try again Sunday, but difficulties with the guidance system scuttled that plan.

Two men practicing landings and takeoffs were killed when their twin-engine plane lost power and crashed about two miles from an airport near Chesterfield, Missouri. Witnesses said the five-seat plane was flying low and appeared to stall before it crashed, a police spokesman said. Thomas Hurster, 66, and Charles Kopetzky Jr., 56, both of suburban St. Louis, were killed.

 Senator Kay Bailey Hutchison of Texas pleaded not guilty Monday in Fort Worth, Texas, to charges that she misused tax dollars during her tenure as Texas state treasurer. Mrs. Hotchison's trial got under way as Judge John F. Onion Jr. began considering pretrial motions; jury selection was expected to start later. Proceedings were interrupted when a bomb threat forced the evacuation of the Tarrant County Justice Center. The threat involved an unrelated trial.

# United (or Not), Perot & Co. Forge Broad '94 Agenda

By Dan Balz

DALLAS — Barely a year after cians. he won more than 19 million votes for president and three months after losing the debate over the North America may be determined by American Free Trade Agreement, Ross Perot and his followers are

cal movement. and
The state leaders of United We time Stand America, meeting in Dallas to debate their future, faced serious questions about whether Mr. Perot's claim last week that the counmore than an idle boast.

Are they the key to unlocking the power of millions of swing voters in America? Can they turn debates in Congress and decide the outcome they merely an information transmission belt for interested voters?

on Mr. Perot's was mistaken.

Some political analysts say

Are they a new political party in the making, or a group so given to fragmentation that their impact will splinter? And can they grow and prosper when Mr. Perot's credibility and personal popularity have tumbled?

The leaders of the organization emerged Sunday with an action plan for 1994 and some elues about how they see their group,

The leaders outlined 11 issues, includiog the halanced-hudget amendment, health care reform, the line-item veto and campaign finance reform, as their legislative priorities for the year. But they failed to state which of

that long list was the most impor-tant, and said that on health care, for example, they had no consensus

At the same time, they said they would seek to maximize turnout in this year's elections, educate voters on the records of incumbents and challengers, and in some cases seek out candidates to run for office.

The three days of meetings in Dallas marked the end of a year of organizing by Mr. Perot, who traveled to 49 states last year. The group oow has state directors in all 50 states, paid by the Dallas head-quarters, as well as elected state chairmen and coogressional district leaders in most districts in the

The Texas hillionaire referred to questions about the numbers as "silly putty." B. T. Sisson, the Nevada state chairman, added that have enough" to worry the politi-

But how much politicians pay attention to United We Stand

how effectively it operates.
The weekend gathering brought struggling to shape a lasting politiand state directors for the first

Asked about a possible Perot presidential candidacy in 1996, Garry Luterek, the lowa state chairman, said, "I admire the man try "ain't seen nothing yet" was for many reasons, but that's not

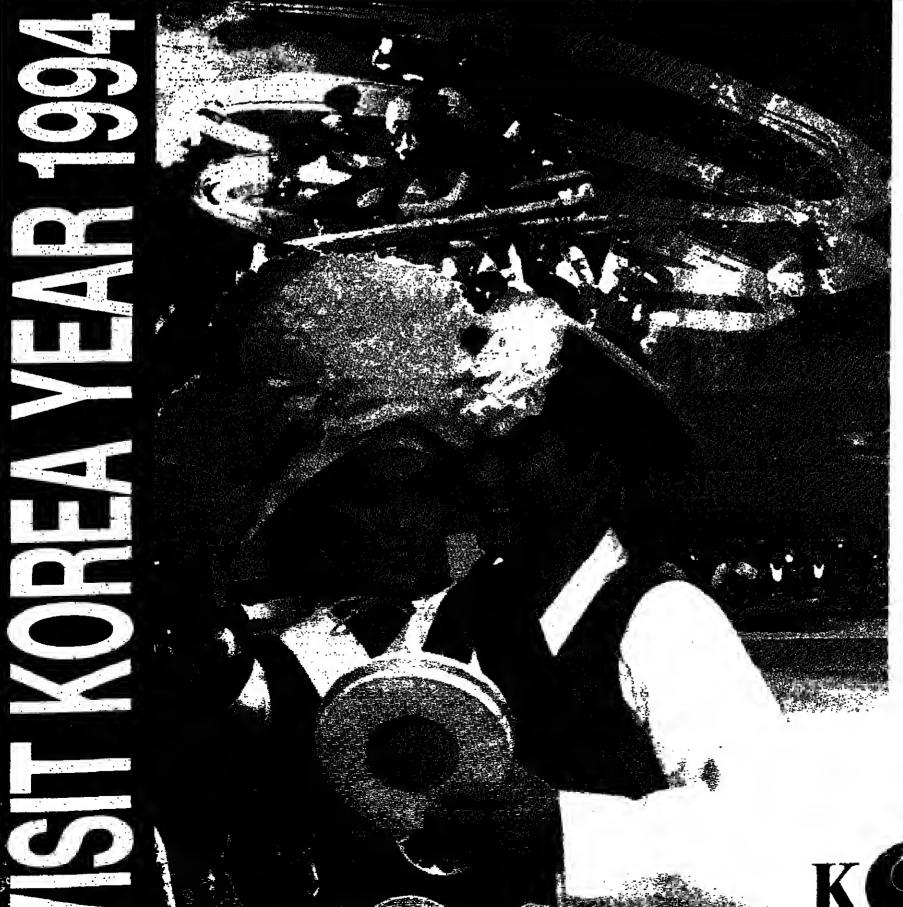
Others spoke of Mr. Perot as providing them with a "tool" to help remake the political system, but they said perceptions in Washof close elections this fall, or are ington that their strength depended

> Some political analysts say that to have real political impact. United We Stand America either will have to endorse candidates for of-

fice or run its own slates. One poll-tasker for the Republicans said the party's worst night-mare would be for Perot-backed candidates to siphoo off 10 percent of the vote in key districts this fall. which he said would sink many Republicans.



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# Joseph Cotten, Veteran Actor, Dies at 88

By Peter B. Flint New York Times Service Joseph Cotten, 88, a leading man who shifted easily between Broadway and Hollywood, died of pncumonia Sunday at his home in Los

Among his roles in film classics. Mr. Cotten portrayed an idealistic theater critic in Orson Welles's "Citizen Kane" (1941), 3 cryptic merry-widow murderer in Alfred Hitchcock's psychological chiller "Shadow of a Doubt" (1943) and a blundering writer in Carol Reed's romantic thriller "The Third Man"

He played the rejected suitor of a

nificen: Ambersons' (1942), a and an embattled industrialist in a thology series pegged to noted legal weapons expert menaced by spies thriller, "Calculated Risk," in the and terrorists in "Journey Into 1960s. His co-star in that play was Fear" (1942), which he wrote with his wife, Patricia Medina.

Gregory C. Usher, 43, Welles, and an artist inspired by a ghost in "Portrait of Jennie," for which he won the best-actor award at the 1949 Venice Film Festival.

His Broadway roles included the estranged husband of a willful socialite (Katharine Hepburn) in the benchmark comedy "The Philadel-phia Story" (1939-40), the stub-born foil of Margaret Sullavan in the comedy "Sabrina Fair" in the early 1950s, an egomaniacal orchestra conductor in a satire, He played the rejected suitor of a "Once More With Feeling," with youthful aristocrat in "The Mag-Arlene Francis, in the late 1950a,

His performances were repeatedly acclaimed by critics and audiences. Reviewing "Sabrina Fair," Brooks Atkinson of The New York Times wrote: "Mr. Cotten gives a most attractive performance. It is masculine, gravel-voiced, cynical and romantic. He is not limited to

Oregon, had been a resident of Par-is since 1970. After apprenticeships Mr. Cotten also had many televiin several notable French restausion credits for both acting and narrating. From 1956 to 1959, he rants, he went on to serve as direc-tor first of La Varenne and later the Cordon Blew cooking schools in Paris, before creating the Ritz cooking school in 1987. the "Joseph Cotten Show," an an-

In 1989, he was awarded the Chevalier du Méritc Agricole by the French government.

Dr. Wilber Gould, 74, a throat specialist whose professional skills

enabled the ailing voices of such

stage and opera stars as Frank Sin-

atra, Luciano Pavarotti, Linda

Ronstadt and Elizabeth Taylor to

rise to Broadway's cry that the

Ran Ritz Cooking School

PARIS (IHT) - Gregory C.

Usher, 43, director of the Ritz-Es-

coffier Ecole de Gastronomie

Française at the Hôtel Ritz, died

Friday at his home in Paris of an

Mr. Usher, a native of Portland,

AIDS-related disease.

New York of a heart attack. Olan Soule, 84, veteran radio, elevision and film actor perhaps Dr. Bernard Davis, 78, a Harvard Medical School professor who was best known for his leading roles on a pioneer in bacterial genetics rethe long-running radio drama ser-ies "First Nighter," as lab techni-cian Ray Pinker on "Dragner" and search, the senior author of a standard medical textbook on microbiology and a widely known writer on Mr. Craven's disclosures are be- the voice of Batman on the animatthe social implications of modern ing cited by private experts as a ed CBS television series, died Tuesgenetics, died Jan. 14 of prostate cancer at his home in Belmont, son to increase the navy's sub- day of lung cancer in Corona, Cali-

Jack Kirby, 76, an artist who helped reinvent the comic book superhero by developing Spiderman, the Fantastic Four and the Incredible Hulk, died Sunday of heart failure in Thousand Oaks, California.

Joseph Cotten, who won fame

show must go on, died Saturday in

"Citizen Kane," in his prime.

Norman Del Mar, 74, a conductor who excelled in works of such late romantics as Sir Edward Elgar, Gustav Mahler and Richard Strauss, died Sunday of cancer near

Lieutenant General Eugene Tighe Jr., 72, who headed the Defense Intelligence Agency from 1978 to 1981 and investigated the possibility that American prisoners of war remained in Indochina, died Jan. 29 of prostate cancer at his home in San Diego.

DEATH NOTICE

PERSONALS

LEGAL NOTICES

NOTICE OF PROCEEDING

o Deborok Resalled Reseal Borst:

Cleary, Gottlieb, Steen & Hamilton is sad to note the passing of its Counsel, Claude C. Kelly, Jr.

Hermann Abs Is Dead at 92, Key Postwar German Banker

FRANKFURT -- Hermann Josef Abs, 92, a leading banker under the Nazis and then a major figure in West Germany's postwar eco-nomic miracle, died Saturday after a brief illness in a hospital in the suburb of Bad Soden, Deutsche

Bank said Monday. Mr. Abs's reign as chairman of the managing and supervisory boards of Germany's largest bank stretched for two decades to 1976. As Germany's most influential fincier in the decades after World War II, Mr. Abs was once called, "the most important banker of our time" by David Rockefeller.

But he always remained a controversial figure because of his key position in the Nazi economy. which included a board seat IG Farben, the conglomerate that manufactured the gas for Hitler's death camps.

At the end of the war he was

sought after by two agencies of the Allies. One wanted to try him as a war criminal, and the other wanted his help to rebuild Germany. . .

His career soon recovered after the war, and he played an key role in restoring Germany's cre-

By James F. Clarity

BELFAST — Jean Kennedy Smith, the U.S. ambassador to the Irish Republic, has offered to help prominent Protestant politicians here get a hearing in the United States for their belief that

Northern Ireland should remain part of Britain, according to a senior Ulster Unionist Party offi-

cial. His statement was confirmed by the U.S. Embassy in Dublin.

foundation for West Germany's "economic miracle" of the 1950s

He persuaded Germany's credithe late 1930s and '40s to reduce the 29 billion marks the Aryanization laws.

Germany's first postwar chancellor, Konrad Adenaner, once said he never made any key decisions. without consulting Mr. Abs.
Finance Minister Theo Waigel,
calling him "one of the greatest
German bankers," said Mr. Abs's

greatest service was his success m
1953 in "protecting Germany from
the ever-expanding reparation demands of the Allies."

business and industry.

But despite the widespread interhe had played an important role in

U.S. Envoy Courts Ulster Unionists

structuring debts that had been tracks down Nazi war criminals, unilaterally canceled by Hitler accused him of assisting Hitler in from 1934, he helped build the his climb into power.

. Mr. Abs was on the board of Deutsche Bank when it helped the Nazis confiscate Jewish property in the late 1930s and '40s as part of

owed from both world wars to But he challenged in court the about 14 billion marks. West Ger- assertions made in a 1970 book that many paid off the 14 billion marks he had participated in forced sales between 1953 and 1983.

Germany's first postwar chancerty. The court found none of the book's accusations valid.

He was nevertheless put on the U.S. government watch list of un-desirable aliens in 1983 and barred from entering the Umted States. But Deutsche Bank said Mr. Abs had traveled to the United States. since then.

Although he remained an honor ary chairman of Deutsche Bank Mr. Abs also helped set up the and kept an office at the bank's Kreditanstalt für Wiederantban, headquarters until his death, the Germany's bank for reconstruction that funneled some \$5 billion in Marshall Plan aid to West German decades of his life.

Mr. Abs often said he had no interest in a political career.

"A politician is a man who learns." national respect he achieved. Mr. "A politician is a man who learns.

Abs was dogged by allegations that less and less about more and more until he arrives at the point where, ditworthiness through agreements the Hitler era. The Simon Wie- he doesn't know anything about signed in London in 1953. By re- senthal center in Vienna, which everything," he once said.

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#### **SPY:** Listening In on a Deep Secret About Submarines in a 1991 Chicago Tribune article,

Continued from Page 1

ject in the 1960s, recently described it to a congressional subcommittee in a letter, calling the operation an intelligence coup. But he provided few details of how it had been socomplished and of what, if any-

thing, had been recovered.
"Halibut was able to locate, examine and evaluate the accident and to obtain significant intelligence information concerning the submarine, its mission and its equipments," he said, according to a copy of his written testimony.

"It was the opinion of many in the navy and the Defense Intelligence Agency that optimum recovery of intelligence information and been hinted at publicly, mainly

from this accident was achieved,"

He noted, however, that the Cen-

While working for the navy, Mr. Craven pioneered both secret and public methods to plumb the class of spy submarines, naval experts said.

Mr. Craven added.

tral Intelligence Agency had "deemed otherwise" and proceed-ed with the Glomar project to try to raise the sub.

ocean's depths, devising advanced gear for deep search, rescue and salvage. His successful work on the Halibut helped lead to the new

Mr. Craven's testimony apparently was the first time that it had been acknowledged by a former govern-ment official and that some of its accomplishments had been openly

marine budget.

"Our capacity to go deep, to go anywhere in the water column without anybody knowing it, and do anything we want there, is the greatest security asset of this island nation," said Angelo M. Codevilla, a senior fellow at the Hoover Insti-

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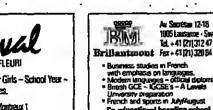
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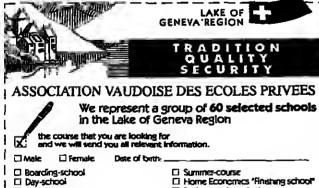
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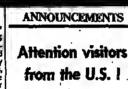
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bers of our party to the United States in the near future," he said. "She offered to help and facilitate It represents her first public involvement in the sensitive issues surrounding the peace initiatives in the North, particularly the proposed framework the making of contacts and platforms in the Unit-

Such action, reaching across the border to the British province, which is officially under the purview of the U.S. Embassy in London, appears to go I informed her we would send out senior membeyond the bounds of Mrs. Smith's job.

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Mrs. Smith knew several northern officials be-fore her appointment, including John Hume, the most prominent Roman Catholic leader in the North, who started the movement toward peace mitiatives in talks with Mr. Adams last spring.
Mr. Donaldson said Mrs. Smith had told him she regretted that the Protestant parties were not getting a hearing in the United States.

for peace issued on Dec. 15 by the prime ministers of Britain and Ireland.

Jeffrey Donaldson, secretary of the Ulster Unionist Party, which represents a majority of the Protestants population here, said Mrs. Smith had made the offer to him in a telephone call Tuesday.

ed States where we could put forward our case."

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# Wounds, Anger and Despair West Is Guilty, Too, Evacuated Bosnians Say

By Rick Atkinson

LANDSTUHL, Germany - There was no whistling shell, no cry to take cover, no warning at all, just a blinding flash and a deafening roar that snapped Cazim Kaliman's left leg below the knee and sprayed shrapnel across his back and right leg. Mr. Kaliman, 35, was one of the lucky ones who would live to recount the scene in Sarajevo's crowded marketplace shortly after noon on Satur-

day when a single mortar shell killed 62 Bosnians and wounded more than 200 others. On Monday, he lay in the sanctuary of an orthopedic ward at the U.S. Army hospital here. among 183 people — ranging in age from 10 months to 70 years and including the wounded and their families — flown to Germany in the largest U.S. evacuation from Sarajevo during nearly two

U.S. evacuation from Sarajevo during nearly two
years of civil war.

They're all guilty—the Europeans, NATO, the
Americans," said Besim Imamovic, 40, whose wife
lay wounded in the hospital. "They're helping us
now and we appreciate that, But they're all guilty."

For some, their first full day out of Sarajevo brought happiness; for others, more grief. One mother wept with joy after learning from an army surgeon that her 17-year-old son would probably keep his leg, which had been badly shattered in the

But another mother, Besha Aisha, learned that surgeons were forced to amputate the left leg of her 16-year-old daughter. The girl's right leg had al-ready been severed after a shell hit the family's house as they were going to bed Wednesday might. Whether lying in hospital beds or wandering through the makeshift barracks set up for family members in the Landstohl gymnasium, the refugees had a chance to compare horror stories of life

Cazim Kaliman's account was typical. When he came to his senses in the marketplace on Saturday, he saw his girlfriend, Hajra Smajic, lying dead next to him, her body blown to pieces. She had shielded him from the full force of the blast as they browsed among the meager offerings spread on market

A few feet away lay a man without a head Another writhed in agony, both hands severed. A small mushroom cloud of smoke and dust boiled from the shell crater. Screams filled the square. "People were lying on the ground everywhere, bodies and pieces of bodies," Mr. Kaliman re-called. "It was like a butcher shop."

Cab drivers from a taxi stand down the street pulled their vehicles into the market. Someone helped Mr. Kaliman into a back seat and drove

EU, Split,

Leaves It

To NATO

By Roger Cohen New York Times Service.

BRUSSELS - The European

Union, beset by divisions over the Bosnian war, called Monday for an

immediate end to the seege of Sara-jevo and said NATO air power might be used to achieve that goal. But a statement from foreign min-

isters set no deadline for Serbs to

lift their 22-month siege of the Bos-

The appeal by ministers fell well

short of France's request for a for-mal ultimatum to be set for the end

of the siege and reflected sharp

differences of policy, with the French, Belgian and German view

that the time has come for the use

of North Atlantic Treaty Organiza -.

tion air power meeting opposition from Spain, Greece and, to a lesser

ally of Scrbia's and currently holds

nation European Union.
The EU statement, made in re-

vance the peace process.

balance against the use of force has

existed in Europe. In the minds of many, that balance is now mov-

Not, however, in the mind of

Lord Owen, the European Union's

mediator in the Balkan conflict. He

presented a report to the ministers

in which, diplomats said, he argued

strongly against the use of force.

extent, Britain.

him to a hospital, where his broken leg was set and his shrapnel wounds cleaned. With his 10-year-old daughter, Alma, who had been waiting at home for him to return from the market, he was put on an air force C-130 on Sunday and flown to Germany.

While expressing thanks "to the UN in Sarajevo and the people here who are helping me," Mr. Kaliman shook his head when asked about the West's reluctance to intervene in behalf of the besieged Bosnians. "They're passive," he added, "Despite the aggression against us, they're simply passive. This war makes no sense."

Besim Imamovic, a 40-year-old construction worker, had stayed home with his two daughters Saturday morning while his Mejra, 39, went to the market to sell votive candles. She was chatting with her sister, Asima Hasanowic, when the shell deto-nated. The blast blew away Mejra's right hand, the thumb and forefinger of her left hand, peppered her legs and face with shrapnel, and singed the hair from her head. Her sister was killed.

Learning of the catastrophe from a neighbor, Mr. Imamovic wandered through the city for five hours, searching for his wife. He moved among limbless bodies in the morgue and waited with hundreds of others in a hospital courtyard until finding her at 5:30 P.M., shortly before she was taken into surgery. On Monday he sat in the Landstuhl gymnasium with his daughters, 15-yearold Kasima and 5-year-old Nejra, pondering the

"I have no words to express what it's like to be here," he said. "I want to go back to Sarajevo someday, but not my children. That is no place for

Although the evacuation was prompted by Saturday's slaughter, many of those who arrived here Sunday had been wounded weeks and even months earlier, including at least two Bosnian Muslim soldiers in need of reconstructive surgery.

U.S. military officials could shed little light on the interior and the United Medical of Stelle in

the criteria used by United Nations officials in Bosnia to determine who would be evacuated to Germany. "I have no earthly idea what the decision process was of the UN in Sarajevo," said Colonel David H. Layland, commander of the medical center here.

Also uncertain is where the refugees will go from Landstuhl, Some of the wounded will need months of rehabilitation and therapy, while others are likely to be released in a day or two.

"For two years, the whole world has failed to help Bosnia," said Abid Gagula, 49, crippled by a bullet that shattered his right femur in July 1992. "I understand that America is a long way from us. I can see that America doesn't understand our mentality. But Europe - Europe has been asleep.

### **ALLIES: What? Where? How?**

- Continued from Page 1

experts in Munich this weekend, "but we will definitely consider stronger action, including air

Until now, the French and the British have been unwilling to risk the Serbs' retaliation against their troops on the ground while the United States bombed from the rel-

ative safety of the sides above.

"The United States has plans that, as the generals put it, could min the lights out in Belgrade."

one official said, "but a heavy beabing campaign could cause beavy revision carrelisis and exercises. embolden the Bosnians to keep fighting instead of making peace." A limited bombing campaign against individual Serbian artillery pieces and mortars is thought by most military experts to be a recipe for failure, as the American experi-

### **BOSNIA: Warning to Serbs**

Continued from Page 1

The statement is not as explicit as I might have liked," said the for fairly limited purposes." He de-French foreign minister, Alain fined that as "to prevent the siege. Juppe:
But Greece's foreign minister,
Karolos Papoulias, insisted that of Sarajevo, to stop that shelling."

"And also it's necessary to help nobody will achieve anything with move the humanitarian aid forward a military action." Greece is a firm

and protect the UN troops."
Mr. Lugar, long an advocate of the rotating presidency of the 12lifting the arms embargo against the Bosnian Muslims, said it was time to "carry the war where it

sponse to the killing of 68 people in Support for air strikes also came a mortar anack on the central Sarafrom Senator Joseph I. Lieberman, Democrat of Connecticut, who said jevo market on Saturday, effective-ly left all real decision-making to a NATO meeting to be held at the ambassadorial level on Wedneson CBS that "the aim here is to use some force so that we can bring the Serbs to a reasonable negotiating Mr. Juppe said NATO should

determine what "immediate lifting of the siege of Sarajevo" meant, But Senator Phil Gramm, Republican of Texas, said he wanted to see "a clear plan as to how, by intervening, we're going to stop the killing." He said that "nobody in the military has told me that bombadding that in France's view NATO should set an ultimatum of no more than a few days. Britain's foreign secretary, Douglas Hurd, continued to insist ing would be decisive."

Mr. Hamilton said there was no

Monday that any decision to use support in Congress or in the naair power must be based on a political analysis of how it would adtroops to end the fighting in Bos-"Up to now," Mr. Hurd said, "a\_

nia.
"I do not think you will find support among our allies for a very broadened, extended air war," be said. "What you're now seeing discussed, and discussed very urgent-ly, are much more limited uses of air power, which I would support. I don't think we want to broaden this war. I don't think we want to make (Reuters, AP) it a U.S. war."

ence in Vietnam showed. That in-

volvement cost President Lyndon B. Johnson his presidency, and some sympathetic observers in Europe believe that military involve-ment in Bosnia would be the big-gest risk to Bill Clinton's

presidency as well.
"It's self-evident that if you ask
the Europeans what to do, they will give you divided counsel," one offi-

> The French tried last month to get the Clinton administration to put pressure on the Bosnian Mus-lims to accept an EU peace plan that would give one-third of the three main ethnic groups, but the United States refused because it believed the Muslims were entitled to regain ground with arms they cither sanggled in or seized on the

With so many recriminations and reasons to give up and get out, NATO and the EU may well decide, as they did last summer and again last month, to threaten air strikes and hope for the best. But empty threats from NATO, as Mr. Clinton himself made clear in Brussels, could be worse than no action

The choice before him now is truly an agonizing one. Air strikes could take the alliance down the slippery slope of a painful, costly, and open-ended military involvement. But maction, and a pullout of French and British forces from the UN, would mean that confronted with the worst war in Europe in 50 years, the EU and NATO, the two Western institutions estab-lished after World War II to make sure nothing like that ever hap-pened again, had finally failed and

thrown up their hands. The consequences of that failure not only in the Balkans but in Ukraine, Russia, and the rest of the tumultuous landmass that used to be the Soviet Union, could be ca-

Spanish Army Officer Is Killed in Barcelona

BARCELONA — A Spanish Army colonel was shot to death by inknown gimmen on a street here Monday, local officials said.

Witnesses said the attackers fled in a car. No further details were available. Basque separatists have frequently targeted members of the

# **UN Seeks** Clearance To Strike at **Serb Guns**

By Paul Lewis New York Times Service

UNITED NATIONS, New York — Secretary-General Butros Butros Ghali has asked NATO for authorization to order punitive air strikes against Serbian gun posi-tions around Sarajevo.

He already has the authority to unilaterally request NATO air power to defend peacekeeping troops in Bosnia, but he cannot order punitive attacks. In a letter on Sunday he sought NATO approval to order punitive air strikes if be deems them necessary. So far he has not requested punitive In the letter to the North Atlan-

tic Treaty Organization's secretary-general, Manfred Wörner, Mr. Butros Ghali asked for authorization as quickly as possible from the NATO Council in Brussels to empower its Southern Command to attack Serbian guns encircling the Bosnian capital.

A senior UN official said that

the secretary-general had become increasingly frustrated in recent weeks by a tendency to blame the United Nations for the continuing war in Bosnia and the unwillingness of world powers to take action

to stop it.
"We have the political will to use force against attacks on Sarajevo now, but we bave to be sure that NATO does not refuse us," the official said.

Any attacks would be planned and ordered by a senior U.S. offi-cer, Admiral Jeremy M. Boorda, the head of NATO's Southern Command, from his headquarters in Naples.

In his letter, the secretary-general wrote that mortar attacks last week on Sarajevo, at least one of which was by Bosnian Serbs, "make it necessary to prepare ur-gently for the use of air strikes to deter further such attacks." It was not clear which of the

recent mortar attacks was lannched by Serbian forces, or whether air strikes on Serbian gum positions would come only in response to future attacks on Sarajevo. The secretary-general's request

for authority to call air strikes appears likely to involve him in a struggle with Russia, which in the past has taken the view that the Security Council must first approve any request for the use of NATO warplanes in Bosnia.

Madeleine K. Albright, the U.S. representative to the United Nations, said she was "pleased" by the secretary-general's letter to NATO. saying that it showed "the United Nations and the alliance can cooperate together." U.S. diplomats say President Bil

Clinton also asked Mrs. Albright to press the secretary-general to intensify the investigation into the mortar attack on Saturday that killed 68 persons.

But many officials believe that punitive air strikes against the Serbs could spell the end of the UN peacekeeping and relief role.

moving steadily closer to using force since the NATO summit meeting last month reaffirmed the alliance's readiness to use air power to reopen Tuzla airport to relief flights and to end Serbian efforts at blocking the rotation of the guard at Srebrenica, a Muslim pocket that was declared a safe area.



PSSHHT ON YOU, CHARLES! - Police officers in Auckland, New Zealand, leading away a man who charged at Prince Charles of Britain on Monday while spraying a can of air freshener. The prince was unhurt. The police said Castislav Bracanov, the attacker, bad earlier made minor attacks on visiting royalty. In January, in Sydney, a student fired blanks at Charles from a starter's gun.

# Military Spending to Shrink a Real 1%

By Tim Weiner

New York Times Service WASHINGTON - President Bill Clinton's military budget bill for the fiscal year 1995 puts Pentagon spending in a holding pattern, trans-ferring money saved by canceling weapons into

more training and higher pay for soldiers.
Military spending would rise \$2.8 billion in fiscal 1995 under Mr. Clinton's plan. Adjusted for inflation, that represents a decline of slightly less than I percent from the current budget

The \$263.7 billion proposal has something for almost everyoue to dislike. Some members of Congress want to cut more weapons and use the money to pay for social needs. Others fear the advent of a military unable to fight two major wars at once, a benehmark for Pentagon planners. And a third faction sees the Pentagon's budget not only as the bulwark of military preparedness but as a steady supplier of jobs from soldiering to shipbuilding to software manufacturing.

That is one reason a buge peace dividend expected by many at the end of the Cold War has not materialized. Instead, small reductions have been achieved incrementally by cutting troop strength and dropping plans for a few major weapons systems.

Gone from the budget are funds to build

more F-16 fighter planes, long a mainstay of the U.S. arsenal. The administration would also

board: the navy's A/F-X and the air force's proposed multirole fighter.

Still in the works are multibillion-dollar proposals to build a new "stealth" fighter for the air force, a new attack belicopter for the army, a new attack submarine and a new aircraft carrier for the navy and the new Milstar satellite system for global communications in wartime. All bave been questioned by congressional critics

as vestiges of the Cold War.

The fiscal 1995 bndget rose in large part because Congress mandated a 1.6 percent pay increase for every member of the still-shrinking military. Active duty troop levels would fall by 85,500 m fiscal 1995 to 1.52 million. The administration would also spend \$2.8 billion to close military bases as required by Congress and \$5.7 billion to clean up environmental damage at military installations.

The budget battle in Congress will be waged between those who believe that the Pentagon can withstand a still-leaner budget, as does Representative Ronald V. Dellums, the California Democrat who beads the House Armed Services Committee, and those who believe that the Pentagon may already have sacrificed enough, as does Senator Sam Nunn, the Georgia Democrat who heads the Armed Services

A spokesman for Mr. Nunn said he would withhold comment on Mr. Clinton's budget. In

cancel two fighter aircraft still on the drawing the past year, the senator has defended the

Pentagon against proposed spending cuts. The main questions to be answered in the budget debate, Mr. Dellums said, are: "Do we need the forces to fight and win two wars simultaneously on two fronts? Is that more a political statement than a military reality?"

"There can still be a peace dividend," be said. "The question is whether we have the political

■ More 'Spending for Readiness'

"The president's budget increases spending for readiness," Defense Secretary William J. Perry said Monday, "and ensures that our military has what it needs to keep U.S. forces ready to fight," news agencies reported from Wash-

ington.

Mr. Perry said that the budget was the "bottom line" for the national security. John S. McCain 3d, Republican of Arizona, a member of the Senate Armed Services Commit-

tee, said the budget would not buy the force treeded to meet the stated goal of being able to light two nearly simultaneous regional wars. He said that the budget "seems to be oblivi-ous to the reality that the world is a more and

more dangerous place." The two-war strategy calls for reductions by 1999 to a force of 1.4 million troops. 12 aircraft carriers, 12 army divisions, three Marine divi-sions and 20 air force wings. (Reuters, AP)

## BUDGET: Clinton Spending Blueprint for 1995

Continued from Page 1 next year, while collecting \$1.342

trillion in revenues But the red ink swings upward again at decade's end, hitting \$201.2 billion in 1999, without the enactment of Mr. Clinton's No. 1 priority for this year: revamping the health-care system. If that ini-The United Nations has been tiative is enacted, Mr. Clinton projects that next year's deficit would sink to \$165.1 billion, and that the 1999 shortfall would be \$181.1 bil-

To finance his health-care plan. the president would raise the 24cent-a-pack lax on cigarettes to 99 cents, bringing in \$67 billion over

the next six years. He also would save \$118 billion from Medicare by cutting reimbursements to hospitals and doctors and making benefits more expensive for many of its elderly beneficiaries. Medicaid payments to the states would be trimmed by \$61 billion.

Mr. Clinton's supporters in Congress praised his spending blue-print but acknowledged that fights

"Undonbtedly some changes will be made," said Martin O. Sabo, a Democrat of Minnesota who is the House Budget Committee chairman. "But I am confident that Congress will rise to the chal-

lenge, preserve and build upon the budget discipline demanded of us, and keep the economic recovery going."

Beyond the bigher tobacco tax,

Mr. Clinton's package imposes no new, general tax increases. It does, however, increase government revenues by \$1.52 billion in 1995 by increasing more than 30 user fees, ranging from higher entrance fees at national parks to increased fees for meat and poultry inspections. His budget would increase Job

Corps and four other Labor Department job-training initiatives from \$1.6 billion this year to \$2.1 billion in 1995.

# Israeli Aide Backs

Talbott Posting

WASHINGTON - American Jewish leaders who have raised concerns about the stance on Israel of the deputy secretary of state-designate. Strobe Talbott. do not reflect the views of the Israeli government, a senior Israeli official said Monday.

The official Deputy Foreign Minister Yossi Beilin, speaking at the National Press Club, also said that he personally endorsed the appointment of Mr. Talbott, a close friend of President Bill Clinton's who is the administration's chief policymaker on the former Soviet

### KOREA: Hope Is Fading for Inspections in the North

punitive measures, such as UNbacked economic sanctions, that could provoke North Korea's unpredictable leadership to start a disastrous war on the peninsula.

But with the deadline approached by talk of new U.S. military preparations. The Defense Departknown as Team Spirit, that North forces in South Korea. Korean leaders have depicted as a symbol of planning for war. The last week, North Korea denounced orders to ship out more than a some of these moves as "reckless thousand U.S. troops and reservists new war machinations." But to South Korea are being prepared

If North Korea fails to change its stance by then, U.S. officials said, Washington is likely to announce a planned deployment of Patriot missile interceptors to South Korea. The Pentagon's ann is to complete the transfer by late March, when North Korea's annual win- tary preparations."

tertime military training - and its readiness for sudden war - is at a seasonal peak. Several officials said the CIA di-

rector, R. James Woolsey, who announced two weeks ago that North Korea "has vaulted to the top of our agenda," has taken the further ing. Washington's rhetoric of pa-tient diplomacy has been supersedgence satellites to capture more frequent images of North Korean territory. He also has activated for the ment has notified some reservists to first time a "national intelligence be ready for participation in a joint support team," capable of provid-military exercise with South Korea, ing swift military analysis to U.S.

> In an unusually tough statement Pyongyang has been adding rocket launchers and artillery to forces deployed within striking distance of Seoul, according to U.S. officials. Mr. Woolsey told a Senate committee two weeks ago that, al-though some North Korean forces

still have low combat readiness.

"We are concerned with their mili-

+ ladia

■ Seoul Predicts Sanctions South Korean officials said

Monday that UN sanctions against North Korea for refusing nuclear inspections appeared to be inevitable despite a new promise by its leader not to develop atomie bombs. The Associated Press reported from Seoul. Foreign Minister Han Sung Joo said UN sanctions against the

North appeared unavoidable if no progress was made in the nuclear ue within two weeks. Mr. Hang told a meeting with opposition legislators that if no

breakthrough occurred by Feb. 21, then the director-general of the International Atomic Energy Agency was "expected to declare safeguards broken in North Korea." In a verbal message sent last week to President Clinton through the U.S. evangelist Billy Graham. President Kim Il Sung of North Korea again pledged that his country would not develop nuclear weapons and said he hoped for

improved ties with Washington.

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Seoul officials said.

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### **Business With Vietnam**

thing for the United States in ending the 19year-old ban on doing husiness with Vietnam. For Mr. Clinton, it was an act of political courage. Had his predecessors been able to take a larger view of American interests, they

would have lifted the embargo years ago.
Vietnam bas been changing dramatically for nearly a decade. Most of the differences that drove Hanoi and Washington to war in the 1960s and '70s and kept them at odds through the early '80s have disappeared. In fact, almost all have been resolved in America's favor. Victnam's troops are out of Cambodia. Its markets are open to the world. And it has turned away from what remains of the Communist bloc to seek new links with the Association of South East Asian Nations, formed during the Vietnam War as an anti-Communist bloc.

Vietnam is still a one-party state with an appalling human rights record, hut so are some of America's best friends and trading partners in Southeast Asia. What has kept Washington at arm's length from the new Vietnam is, of course, the legacy of an old war.
Only a small part of that legacy was substantive. While every single case of a soldier

lost without remains or information is a family tragedy, the number of Americans still unaccounted for is unusually small given the scope and duration of American involvement.

The war's larger legacy has been political and psychological. The dead and the missing were

military victory. For many Americans this was bumiliating: for some, even dishonorable. Re-fusing to acknowledge Hanoi meant refusing to certify Washington's defeat. As the years passed, and Vietnam found the trade and aid it needed elsewhere, making the embargo pointless, only a minority of Americans remained irreconcilable. But successive Republican presidents indulged this minority, while successive Democrats feared provoking them. It is thus remarkable that Mr. Clinton,

whose own opposition to the war and avoid-ance of the draft made him especially vulnerable to attack on this issue, became the president who finally recognized reality and acted in the national interest.

Hanoi made it easier for him with its vastly improved cooperation in recent years on searching for remains of missing Americans. So did American business leaders clamoring for a share of the growing economic action before European and Asian countries locked any more of it up for themselves. And Mr. Clinton has prudently beld back on such steps as diplomatic recognition and special trade and aid agreements, holding them out as inducements for further Vietnamese cooperation and human rights progress. But give this president the full credit he deserves, for at last ending America's self-imposed, self-punishing exile from the new Vietnam.

- THE NEW YORK TIMES.

### Ukraine and Russia

At first the election of a new president of Crimea committed to restoring that Ukrainian territory's traditional tie to Russia looked ominous. Was the vote not bound to feed the menacing feud between Ukraine and Russia? But something smart occurred to the two of them. If Crimea goes into Russia, and especially if Russia helps, then I) a frightened Ukraine is likely to back off from its commitment not to go nuclear, and 2) Russia will find itself perhaps with Crimea but with a nuclear neighbor as well. That is how to explain the steps now being taken in Ukraine to advance, in the suspicious parliament as well as in the more enlightened leadership, the lagging START-1 strategic arms reduction treaty, the Jan. 14 Moscow agreement on denuclearizing Ukraine signed by Ukraine, Russia and the United States, and the good old Nuclear Nonproliferation Treaty, which Ukraine has un-dertaken to sign as a nonnuclear state.

Earlier the Ukrainian parliament had resisted on the theory that Ukraine, to protect itself against a gathering Russian threat, needed to keep the nuclear weapons it inherited when the Soviet Union vaporized, But the Jan. 14 agreement seems to be inducing a second lonk. It offers Ukraine, in return for nuclear self-denial, a range of economic compensations and security guarantees. To a wobbly

high security anxieties, these offerings are starting to look more valuable than the on-itsown existence it would face if it dropped out of the Jan. 14 accord.

Crimea is about two-thirds full of ethnic Russians who, with the 9 million Russians elsewhere in eastern Ukraine, are having second thoughts about their vote for Ukrainian independence two years ago. Economic calamity and a surge of ethnic sentiment account for the change. But it seems frivolous to change position on so great an issue in so short a time. Nor, after Yugoslavia, can there be much foreign sympathy for starting to unravel yet another country's ethnic crazy quilt. For Crimea, embellishment of autonomy is a better idea.

The United States is alarmed at any aggravation of tension between the two largest parts of the old Soviet Union, and at any expansion of the nuclear club. That is what led Bill Clinton two weeks ago to strengthen American guarantees to Ukraine. The core American interest is to bold Russia to its word on Ukrainian territorial integrity so that Ukraine can better be held to its word on nonproliferation. As a house itself vulnerable to separatist movements, moreover, Russia has special cause not to indulge separatists next door.

- THE WASHINGTON POST.

## **Better the American Way**

When President Bill Clinton granted a twoday visa to Gerry Adams, the wise course for an unhappy British government would have been to cut its losses and dismiss the matter as an internal U.S. affair - as the British initially seemed to be doing. Then early last week, Prime Minister John Major and his foreign secretary. Douglas Hurd, inexplicably threw a fit. The U.S. ambassador to Britain was summoned to Downing Street for a harsh lecture. and the British public was treated to the peculiar television spectacle of a Larry King interview on CNN with Mr. Adams, in which an actor spoke the Sinn Fein leader's responses.

Under British law, Mr. Adams can be seen hut not heard on television, and instead of challenging this bizarre censorship, CNN cravenly chose to comply. A similar ban in the Irisb Republic was allowed to lapse on Jan. 19. and Mr. Adams's voice can now be heard by many Britons with access to Irish radio and television. If Mr. Major is indeed serious about his government's new peace initiative on Northero I reland, he should also be ending censorship and encouraging debate. The British media, bowever, lack America's safeguards for free speech, making them much more vulnerable to politicians' whims. In this case it seems appropriate to ask just what the old lion is afraid of.

Mr. Adams made the most of British mistakes without expressing a single new thought. For millions of Americans, the novelty was in seeing a live Irishman express such views. In seven television interviews and five press conferences, his equivocations about the Irish Republican Army's indiscriminate killings fully justified Washington's barring of his entry on eight previous occasions.

When he applied this time, however, there were new circumstances. Britain and the Irisb Republic had jointly appealed to Sinn Fein in December to renounce violence and take part in a new peace initiative, the first break in the ice. Meanwhile Mr. Major, his hand forced by leaks, confirmed that his government was already engaging in secret discussions with Mr. Adams - a development that makes hypocritical the British outburst against Mr. Adams's visit. Apparently Mr. Major considers it appropriate to talk to Mr. Adams in secret, but inappropriate for the United States to allow him to talk to its people in public.

Senators Edward Kennedy and Daniel Patrick Moynihan joined 38 other members of Congress in urging Mr. Clinton to allow Mr. Adams to take part in a New York conference attended by other Northern Irish leaders, notahly John Hume, who speaks for the province's nonviolent nationalist majority. And so the president, for principled as well as political reasons, let Mr. Adams in.

Americans are rightly appalled by violence in Northern Ireland, carried out by Protestant paramilitary groups as well as by IRA gangs, some with criminal sidelines. Yet censorship and visa hlacklists are not the answer. President Clinton was right to let Americans bear and question Gerry Adams.

-THE NEW YORK TIMES.

### Other Comment

After the Outrage in Sarajevo

The massacre in Sarajevo on Saturday differs only in degree from atrocities that bave become commonplace in that city and throughout Bosnia. But it must not fall on blunted sensibilities or be shrugged off with weary appeals to "realism." It was an outrage: not an act of war but, cold-blooded savagery against civilians going about their normal business.

It was also a breach of international law perpetrated under the eyes of United Nations

forces. If the presumprive guardian of interna-tional order can tolerate such flagrant defiance of its mandate, its soldiers, international law, human rights, world opinion and common bumanity, it might almost as well disband. It is nearly too late to save anything of the

UN's authority and to prevent Bosnia from descending to a still deeper circle of hell. If almost the last chance is not to be missed, the UN must now summon up the resolution to make its resolutions stick.

- The Independent (London).



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International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly-sur-Seine, France. International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1146.37.93.00. Fax: Circulation, 46.37.06.5): Advertising, 46.37.52.12.
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# More Meaningless Banalities

P ARIS — In its first edition after the massacre of 68 people in the Saravejo marketplace by a single mortar shell, the French newspaper Le Monde identified on its front

page one of the principal culprits in the barbaric war of Bosnia.

Drawn hy Plantu, the editorial cartoon pictures a Western politician, or perhaps a diplomat, standing between a television cameraman and a grieving Muslim mother cra-dling the broken, lifeless body of a child in her arms. The official ad-

dresses her in elegant French:
"Permit me, Madame, to say to you several banalities that are devoid of any meaning but will make the television audience believe that I am with you with all my heart." The world may never know with

certitude who fired that murderous shell with such precision. But the Sarajevo massacre reveals how empty and meaningless the declarations and negotiations on Bosnia sponsored by Western Europe, the United States, Russia and other governments have become. In the pantheon of the many culprits of Bosnia, Westera cynicism now occupies its own particular place of dishonor.

The Sarajevo massacre touched off a rush to posture in Washington, Paris, London, Brussels and elsewhere. Statesmen suddenly fearful of being accused of tolerating atrocity on a grand scale rushed to show in words how concerned, deter-mined and effective they have alBy Jim Hoagland

ways been. Blame for the borrors of Bosnia lay elsewhere, they suggested

either explicitly or implicitly. Primary blame does lie with the extraordinarily cruel, shortsighted or stippid acts of the warring tribes of ex-Yugoslavia, and first of all with the Serbs of Bosnia and of Belgrade. Outsiders cannot be blamed for not risking their own lives to make these tribes stop killing each other.
But the statesmen of the world
can be blamed for putting their own

political objectives before the suf-fering of the people of Bosnia and then pretending otherwise. They can be blamed for wringing advantage from the blood-soaked garments of the Sarajevo marketplace by placat-ing public opinion with bromides and camoullage instead of providing clear explanation.
Instead the world's major governments argue over air strikes that they are not prepared to launch and politi-

cal consensus that they cannot estab-lish. Hidden disagreements lie at the center of the confused flurry of diplomacy and muted Western saber-rattling that preceded the Sarajevo shell-ing and has resumed in its wake. The central reality for Western Europe and Russia is that Serbia has won the war in Bosnia and is ready to cash in its chips. Europeans, led by France, feel that the time has come to accept this result and save

the Muslims from total annihilation by making them surrender - now at the conference table. The French truly believe that this is the most pragmatic and moral course available, provided that the United States will join Europe in committing troops to police the surrender. The tragedy in the Sarajevo mar-

ketplace does not change the French calculation. Instead it confirms the French view that the conflict grows more bloody and more explosive as it stretches on into its third year. That is what puts Paris and Moscow, which are at ease with a Serbian victory, at odds with Washing-ton, which is not. (The French argue persuasively that they have won German Chancellor Helmut Kohl and British Prime Minister John Major over to their view.)
The Clinton administration does

not see three or four months more of war as the worst possible outcome in Bosnia. The Muslims have secured arms despite the United Nations embargo against ex-Yugoslavia and may now be able to "create facts" on the ground by retaking territory. That would make negotiations more

That would make negotiations more productive in late spring or early summer, in Washington's view.

That view happens to fit two key realities on the U.S. side. One is that President Bill Clinton is not prepared to pay the political cost in the Muslim world or in domestic opinion of onestly former, the President Mus. of openly forcing the Bosnian Mus-lims to surrender. Secondly, like the

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French and every other Western goverament, the U.S. government is not prepared to commit the force needed to reverse the Serbian conquest that has already occurred.

Some Europeans suspect Washington has embarked in recent weeks on a covert program of supplying small arms to Bosnia. Such a step, if it has been taken, would fit a U.S. strategy of trying to buy time and new ground for the Muslims without running the risks involved in chang-ing the strategic result of the war.

U.S.-European relations are being poisoned by the Bosnian war, as ing poisoned by the Bosnian war, as the spreading of unproved but firmly held suspicions in Paris over U.S. gunruming shows. The inability of Western governments to explain their calculations and conflicts with frankness produces a confusion that saps public confidence, slowly but surely. More meaningless handlites. surely. More meaningless banahities uttered for television cameras can only worsen what has already become a major tragedy.

# NATO Has the Force, but Will Clinton Give the Leadership?

N EW YORK —In one bloody moment the bypocritical facade of Bill Clinton's emp-ty policy on Bosnia crumbled. The mortar shell that killed 68 people as they shopped in Saraje-vo's market on Saturday ended the pretense

that America had a meaningful policy.

President Clinton inherited a Bosnian horror from European appeasers and President George Bush. After a weak show of wanting to act, he essentially withdrew from the pro-blem, hoping that Americans would forget it. From the lowest ecbelon of the State De-

partment to near the highest, no one believed in the nonpolicy. How far the rot of cynicism had gone was shown in a report given at the National War College last month by Richard Johnson, a department officer who formerly headed its Yugoslav desk. He titled the paper "The Pinstripe Approach to Genocide." "Senior policymakers have failed to level By Anthony Lewis

with the American people on the nature of the moral and security challenges that America faces in the Balkans, Mr. Johnson said. He said officials had deliberately played down evidence that Serbian "ethnic cleansing" of Muslims in Bosnia amounted in law to genocide.

In short, officials knew what was right but

had not the courage to do it. Or, more precisely, Mr. Clinton did not. He gave the orders. The political calculation in Washington, London and Paris was that the victims of aggression would eventually accept the division of their country. But the army of Bosnia fought on against the odds, and grew stronger. France asked Washington to join in pressing the Bosnian government to give up, That was one thing the administration would not do.

The necessary steps are plain.

The growing strength of the Bosnian army means that no ground troops are needed from outside. What is needed is what Mr. Clinton proposed and then abandoned — NATO air

strikes against the aggressors, and an end to the arms embargo on Bosnia.

The slaughter in the Sarajevo market underlines what should be the first air targets: the Serbian gun positions in the hills around Sara-jevo and other Bosnian enclaves.

 Planes should be used to interdict the main-force Serbian and Croatian units now moving into Bosnia. That means taking out the Drina River bridges that link Serbia and Bos-

mia, and attacking Croatian entry routes.

• The United States has warned President Franjo Tudjman of Croatia repeatedly to keep his hands off Bosnia. It is time now to make Croatia pay a price, economic and political.

The United Nations is seemingly prevented The United Nations is seemingly prevented from acting effectively by its own bureancracy and Russia's veto in the Security Council. Others must move. NATO has the force. Lawyers have shown persuasively that the UN arms embargo is legally nonexistent. All that is required is leadership. That can come from only one man: Bill Clinton.

On CNN last week, Mr. Clinton's national security assistant, Anthony Lake, boasted that "Serb violence around Sarajevo has declined" since the NATO summit last month

made another empty bombing threat.
Tell that to the parents of the six little girls killed by Serbian shells as they played in Sarajevo on Jan. 22. Or to the families of the 10 people killed by Serbian shells on Feb. 4, or of the 68 on Feb. 5. They want action, not pretense. So should we,

The New York Tones.

# Heading Off a U.S.-Japanese Collision

WASHINGTON — U.S. trade policy toward Japan, if it can be called a policy, is going nowbere.
The highly touted "framework" for
an agreement, initialed last year by
President Bill Clinton and Prime Minister Moribiro Hosokawa, is in trouble, according to both parties.

Like parties to a labor agreement, international negotiators often talk in grim terms prior to making a deal But to all appearances a summit next Friday between Mr. Clinton and Mr.

Hosokawa is in jeopardy.
Prospects for heading off a collision "look pretty dark right now," said an administration official. If the "framework" talks blow up, the administration threatens to consider "options," which means a retrogression to the unilateral sanctions and punishments of the Reagan-Bush years.

Mr. Hosokawa, after announcing a \$55 billion tax cut (part of a proposed \$125 hillion domestic stimulus package urged on him by the Americans). was forced to withdraw it because of opposition within his fragile political coalition. That adds another unknown dimension to the outlonk. Formerly sold on the idea that Mr.

Hosokawa was genuinely interested in and committed to opening up the

By Hobart Rowen

Japanese market so as to improve living standards for the Japanese consumer, Clinton aides now privately wonder whether they had misassessed Mr. Hosokawa, or at least his ability to deliver on his promises. One of Mr. Clinton's problems,

We have to do everything we can to make sure

that others keep their markets open, as we have been doing."

suggested Glen S. Fukushima, a former deputy trade representative, is that he has not yet formulated a "clear, coherent and consistent" trade policy toward Japan. Mr. Fukushima points out that there is no central policy-

making apparatus on Japan within the Clinton administration.
Indeed, pieces of the action are spread among the White House, the Office of the Trade Representative,

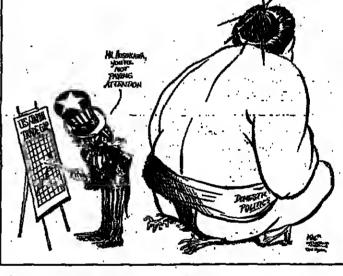
and the State, Treasury, Commerce, and Agriculture departments. De-pending on their ties to U.S. companies, some Clinton aides are more hawkish than others.

It is time not only to get the institu-tional confusion settled, but to revise American thinking about Japan, U.S. policy still suffers from the delusion that the Japanese are invincible. That theme, brilliantly marketed by Michael Crichton's pretentious novel "Rising Sun," is answered in a solid new book by Bill Emmott, editor of

The Economist, "Japanophobia."
Other experts, such as Paula Stem, agree that the Clinton administration team has become obsessive on Japan, which now should be considered less of an economic threat. She advocates that the administration adopt a "get smart" policy that fo-cuses on America's longer-term relationship with Japan, not simply the

narrow, "get tough" approach.

C. Fred Bergsten, director of the Institute for International Economics, makes the same point in different language: Concentrate now on the macroeconomic issues - especially keeping the yen strong — and post-pone the sector-specific issues to the next meeting between President Clin-



ton and Prime Minister Hosokowa. Paula Stern would use the present window of opportunity to have the United States downgrade its trading relationship with Japan from "allencompassing" to merely "very important." That would enable the United States to focus on new challenges from emerging markets in the rest of Asia - including China and in Latin America.

My concern is whether Mr. Ho-

sokawa or any future Japanese prime minister can generate the vision plus the political influence necessary to chart and then carry through the internal reforms needed in Japan.
On the American side, the Clinton

administration at the moment is paying little attention to suggestions from its critics or other outsiders. It doggedly pursues the sector-specific orientation of the "framework" talks. It fears a backlash from Japan-bashers on Capitol Hill, including prominent Democratic party officials, if it fails to do so.

The strongest part of the American case is the effort to break down Japanese import barriers in areas where the government has complete control, as in its own procurement of cations equipment, and medical and other technology; and in services, such as insurance, where foreigners are not allowed to penetrate the Japanese market unless their licenses are shared by Japanese industry. The weakest part of the American

ments, and by participation in new talks about the Asia-Pacific region. but who remain disturbed by his "resubs-oriented" approach to Japan, which implies unilateral sanctions. Columbia University's Jhagdish Bhagwati, the free trade gurn, has argued that America should keep its markets open even if others keep them closed.

case, as some, but not all. American

trade officials will acknowledge, is

the effort to get the Japanese govern-

ment to force its auto companies to buy a minimum level of imported auto

parts, even if anecdotal evidence sug-gests that the Japanese companies have historically discriminated against

I agree with those trade experts

who give Mr. Clinton credit for open-ing up markets worldwide by his sup-

port of the NAFTA and GATT agree-

American auto parts.

"I reject the 'turn the other cheek' philosophy," said Lawrence Sum-mers, undersecretary of the Treasury for international economic affairs and a key player on the American negotiating team. The problem is that if we do that, we will never have any political constituency in favor of keeping our own markets open. In-stead, we have to do everything we can stead, we have to do everyming we can
to make sure that others keep their
markets open, as we have been doing."
If Washington and Tokyo are unable to shirt gears, the much forecast
collision between two strong powers may actually take place this time. The Washington Post.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Royal Holiday

FLORENCE - One hundred workmen are busily engaged renovating and decorating the Villa Fabbricotti for the reception of Queen Victoria on her arrival here next month. In accordance with the custom of a number of years, Queen Victoria will again this year make a Continental tour during the early spring. The Royal party last year was received so. cordially and hospitably by the Flor-entine authorities that it has been decided to make another visit this year to the same place. The Dute of Aosta will come specially to Florence to receive the Queen on her arrival.

1919: 'Harsh Armistice'

BALE — When opening the German Assembly at Weimar yesterday [Feb. 6]. Herr Ebert delivered a lengthy speech, in which he said that the Provisional Government had derived its authority from the revolution and now placed that authority in the

hands of the National Assembly, at present the sole and supreme sover-eign of Germany. Later, Herr Ebert remarked: "The conditions of the armistice have become indescribably harsh ... the entire Government might be compelled to renounce all further collaboration in the peace negotiations and to leave our adversaries to support the whole responsibility for a new organization of the world."

1944: Helsinki Is Raided LONDON - IFrom our New York

edition:] Thousands of Finns fled to-day [Feb. 7] from Helsinki, their capi-tal, which was still smoking after a Russian aerial bombing last night which wrote for their government a flery notice to get out of the war. The criss for Finland appeared nearing a showdown. The Russian raids, involving by a Finnish official esti-mare, a total of 200 planes, were among the most severe directed against Finland in that country's two wars with Russia within five years.

# At Best, a Very Qualified Optimism

P ARIS — The announcement of Israeli-Palestinian "peace" was meant to be the political set piece of the recent World Economic Forum in Davos, Switzerland. It failed to come off.

I put the word "peace" in quota-tion marks because insofar as the two sides can, at this point, deliver peace, they already have done so by entering into negotiations and accepting a Norwegian-hrokered agreement on Palestinian self-rule in Gaza and Jericbo. The obstacles lie in the details.

Those elements of the Palestine Liheration Organization under Yasser Arafat's control have held their fire since the declaration of principles signed in Washington on Sept. 13. Those Palestinian groups opposed to compromise with Israel have not done so, nor has the Islamic fundamentalist group Hamas. But partial peace is better than

no peace, and Foreign Minister Shimon Peres of Israel and Mr. Arafat have been negotiating over the de-tails, which unfortunately are very weighty. They concern security for both Palestinians and Israeli sertlers, the latter essential to Israel's withdrawal from Gaza and Jericbo. Fundamentally, bowever, they are dealing with the question of sover-eignty. Are the Palestinians really to be sovereign in their territories?

The two men resumed negotia-

tions in Norway, where they attended the funeral of Johan Jorgen Holst, the foreign minister who was one of several Scandinavians re-sponsible for bringing Israel and the Palestinians together for secret negotiations last year. Talks continued at Davos, where both men had been invited in the hope that the final problems could be solved and Israeli-Palestinian accord could be announced triumphantly to the great and the good, the powerful and rich, assembled there together with a sizable part of the world's press.

By William Pfaff

Mr. Peres and Mr. Arafat, giving the appearance of being under con-siderable tension, instead told a disappointed audience only that there would be agreement on the security issues "very soon."
What happened was that the gov-

ernment in Jerusalem had at the last minute objected to certain of the security provisions worked out between the two. Mr. Peres, it is said, is more optimistic about the funire outlook for Palestine-Israeli cooperation than are Prime Minis-ter Yitzhak Rabin and some other members of his government. Mr. Rabin was quoted last week as say-ing that he has more trust in Presdent Hafez Assad of Syria than in Mr. Arafat, since in the past the Syrian chief of state has kept his agreements, while no one knows if Mr. Arafat will be able to keep his. Optimism and pessimism are at the heart of this affair, since both

the other, in circumstances where real reason exists to doubt that the other can deliver what it promises. Yasser Arafat's position has greatly weakened in recent years, and his willingness in September to sign a joint declaration of principles on Palestiman autonomy and Israeli withdrawal from Gaza and Jericho automatically drove out of his PLO all those who considered this too

sides have to make an act of trust in

A prudent Israeli must certainly ask what Mr. Arafat really can deliver. A prudent answer might be that he can deliver more if the withdrawal does take place in April, as scheduled, on reasonably generous terms, with the Palestinians enjoying not only the symbols but the reality of sovereignty. But not all agree.
The Palestinians (and the Syn-

ans, since the status of the Golan Heights is next on the Arab-Israeli

grave a Palestinian compromise

agenda) similarly believe that they could have more confidence in an agreement with Israel if a Likud government were signing for Israel, rather than the fragile Labor gov-ernment of Mr. Shamir. (Israelis

with whom I have spoken are nonetheless convinced that a Liked government would respect any agree-ment made by Mr. Shamir.) However, weakened men are making this agreement. Mr. Arafat does so because Palestinian unity is slipping away and he understands that what now has been offered the Palestinians is more than they are

likely to have under any other realistically imaginable circumstances. Mr. Shamir and Mr. Peres are negotiating because the hard, com-bative and implicitly expansionist policy of successive Likud governments has led only to perpetuated violence and insecurity; and the Is-raeli people, in the last national election, indicated that they have had enough of that and want to try

for a negotiated peace.
On neither side, then, does optimism prevail, only a rather desperate recognition that only worse alternatives exist to what now is

I was present at a recent dinner with several eminent Israelis, including a former amhassador to the United States, Zalman Shoval. Midway in the meal the headwaiter came up to Mr. Shoval, the host, to ask the conventional question, was everything all right. Mr. Sho-val replied, "Thus far."

I was struck by this remark, which seemed to me a suitable Israeli response to larger questions than the one which concerned the headwaiter. A very qualified opti-mism is all that Israelis or Palestin-ians can afford at this moment. However, that is more than was possible before these talks began. International Herald Tribune.

O Los Angeles Times Syndicate.

OPINION

# 'Rosy Scenario' Is Back, With an Act for the '90s

By David S. Broder

WASHINGTON — It may or may not be welcome news to President Bill Clinton. But the most upbeat analysis of what lies ahead for America, under his policies, comes from none other than David Stockman, the architect of the Reagan administration budgets that the Democrats loved to hate.

Mr. Stockman, now a New York investment banker, was in Washington last week with an economic forecast that he acknowledged is brighter even than

David Stockman now foresees steady economic growth, a sinking budget deficit and health care costs brought under control.

those be produced as Mr. Reagan's bud-get director in the early '80s, which Democrats derided as "Rosy Scenario." At a conference here, Mr. Stockman drew a picture of:

• Steady economic growth through the end of the decade, with little or no threat of inflation.

• A budget deficit sinking to a "com-fortable" and infinitesimal fraction of the nation's annual economic output. Health care costs under control, especially if Congress passes a stripped-down version of the Clinton plan.

True, the Stockman forecast was greeted with skepticism by some of the economists, politicians and business leaders at the conference sponsored by the Committee for a Responsible Federal Budget, a private group. To the leaders of that group — whose purpose is prodding Congress and the administration to take further steps to cut federal spending and reduce future deficits —it

was not a particularly welcome message.

As Carol Cox Wart, the director of the group, remarked, "One of my board members said, 'You have to prick that balloon'" of dangerous optimism that Mr. Stockman had floated.

Disconcerting people is almost Mr. Stockman's trademark. He is grayer now than he was as a 34-year-old budget whiz in 1981, but be still has a teenager's zest for intellectual stunts that outrage his elders. Back then, the budget director's cleverness angered congressional committee chairmen twice his age. Even President Ronald Reagan was briefly upset when Mr. Stockman confessed to The Washington Post that he knew his oudget-and-tax plan contained many a deficit-swelling "Trojan horse."

But his experience with the Blackstone Group, a high-powered invest-ment outfit, has only enhanced Mr. Stockman's explorant self-confidence.

From his Wall Street perch, Mr. Stockman looks down on Climonomics and finds it good. He sees a "2-by-2 economy" through the end of the decade — meaning 2 percent real growth compounding year after year, accompanied by a minimal inflation rate of 2 percent. The "vicious debt cycle of the 1980s" is being replaced by a "virtuous cycle" of personal and corporate debt repayment in the '90s. Business is self-financing both

expansion and re-engineering at a rapid rate, without squeezing credit markets. The result is a "supply-side recovery," in which American firms are again be-coming the world's most efficient producers of everything from antomobiles to semiconductors, leaving the vaunted Japanese behind. As export markets expand in Europe and Asia, this new U.S. industrial juggernant will be superbly positioned to clobber the competition. Inflation is hardly a worry. U.S. firms have added so much productive capacity even while reducing their work forces that

there is little upward pressure on wages. Further, you can expect government policy worldwide to choke off inflation. The great central banks in the United States, Germany and Japan serve "geriatric societies." As populations age, poblical pressure to create new jobs in mediated by pressure to protect environs. replaced by pressure to protect savings. The result: "a mass constituency for

ting inflation." Budget deficits are soon to join yesterday's worries. Barring war or domestic disaster, the share of the gross domestic product allocated to government spending for cash retirement benefits should remain stable, while defense and domestic discretionary programs decline under

Mr. Clinton's budget.

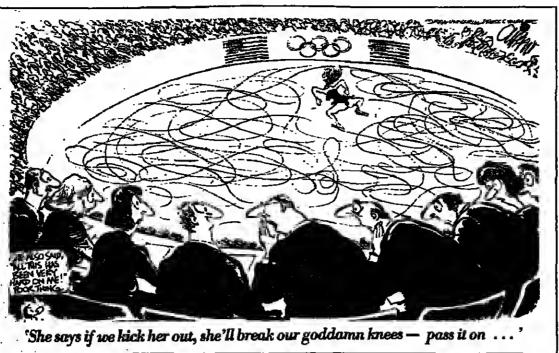
Ahead lies "a long period of fiscal stability," probably running until 2020, when the baby-boomer represent wave has his. By the end of this decade, the deficit, which the Congressional Budget Office says was 4 percent of gross domestic product last year, "will settle into a comfortable 1 to 2 percent" of GDP.

Health care is a concern, Mr. Stockman concedes, but not big enough to blow Rosy Scenario away. The essence of the problem is that big employers have extracted large price concessions from the health care providers, but cost-shifting has priced small firms and individuals out of the health care market.

Mr. Clinton's health reform would deal with that by organizing the rest of America into buying pools. The plan will work, especially if it is changed (as Treasury Secretary Lloyd Bentsen already has suggested) to allow thousands of bargaining units, not just a few giant purchasing alliances.

It might work so well, indeed, that the savings will pay for the expected growth in health care bills of the elderly and indigent and still provide insurance covcrage for everyor

Thus saith David the Stockman. And you all know about his crystal ball. The Washington Post.



#### LETTERS TO THE EDITOR

Heroes of Sarajevo

Regarding "And So It Continues in Sarajero, Death by Death" (Opinion, Feb. 3) by Zlatko Dizdarevic:

Even putting aside the persistent good work of Mr. Dizdarevic and his colleagues on the staff of Oslobodjenje, the Sarajevo daily, his article stands as one of the finest examples of journal-ism ever packed into 600 words. His assurance that he does not bate us, the people outside Sarajevo who read and then forget, the politicians who speak but do not act, gives us no comfort. It was not meant to, nor should it. He is right to pity us for our passive acceptance. His only error is in saying that 'yesterday's heroes" have been reduced to ruins. The heroism of Mr. Dizdarevie, his Oslobodjenje col-leagues and the people of Sarajevo will not soon be forgotten.

PHIL DAVISON.

The Bosnia Arms Embargo Regarding the editorial "Encourage the comians?" (Opinion, Jan. 31):

Not only should the Bosnian Muslims be encouraged to defend themselves, they should not remain gravely and un-fairly disadvantaged in doing so. Lift the arms embargo, and all the futile arguments about air strikes and ground troops can cease. So can the false claims to morality. The Bosnians will defend themselves against slaughter and "eth-nic cleansing" without the intervention of Enrope or the United States.

LEONORE SUHL

Portimão, Portugal.

from their foreign supporters (in addi-tion to the elandestine arms shipments they already receive), the Croats and Serbs would certainly turn to their foreign friends for more arms. Experience shows that pouring arms into a civil war ensures its continuation. From Alghanistan to Angola, terrible wars have been sustained by the "good" intentions of foreign arms suppliers.

NEVEN LEZAIC.

Voices for Restraint

Regarding the Other Comment item
"Small Ways to Save Ourselves" [Opinion, Feb. 2) from the Los Angeles Times: Apart from the ethical problems involved in elderly ladies gleefully profit-ing from deep-frozen embryos, there is the global aspect to consider. If there is one thing this dear planet is not short of, it is members of the buman race.

> NESTA COMBER. Vence, France.

Two seemingly opposing doomsaying views occur frequently in your pages: The world population continues to grow, while the population of some industrialized countries is graying. The fact is, to solve overpopulation we will have to accept graying, and that will mean accepting temporarily reduced liv-ing standards. But there is little alternative - except our self-destruction on the sword of overpopulation. GERALD C. HARDY.

Manchester, Connecticut.

North's Giveaway

Lifting the arms embergo will do nothing to solve the three-way political dispute in Bosnia and will only intensify North, formerly of the U.S. Marine

and prolong the bloodshed. Were the Corps, can be a serious contender for a Bosnian Muslims to receive weapons U.S. Senate seat. He reportedly feels that "most people don't give a rat's patootie" about the Iran-contra affair (IHT, Jan. 29). As senator, will be propose legislation permitting indicted persons to decide on their own whether their felony is serious enough to be prosecuted? Will it matter to him if be is lied

to at Senate hearings? If nothing else, that "rat's patootie" ves him away. Any real marine knows that is not the right expression.

RICHARD C. ALLEN. Captain, U.S. Navy (retired).

How the War Turned Out

Jonathan Yardley (Books, Jan. 29) remarks that "we know, now, how the [Cold] War turned out - nobody " Mr. Yardley presumably intends the comment as an ironic witti-cism. Such irony, which pervades the substance of his review, should not be given room. Would Mr. Yardley affect an equally detached irony at the news that the Cold War had been lost?

RALPH BERRY. Knala Lumpur

It Was Latin to Him

Regarding "Let Us Not Be Shy About It: Tough Criticism Is Our Job" (Opin-ion, Feb. 4) by William Safire:

Mr. Safire, the language expert, thinks hyperhole" is a Lann word. Perhaps he has never heard the expression: "The Greeks had a word for it." "Hyperbole" is one of those words.

CHRIS G. PETROW. Neuilly-sur-Seine, France. Editor's note: Mr. Safire expresses his regret for that error in a column on this page.

# When Knowledge Is Salami And Your Computer Is Wry

By William Safire

HARPERS FERRY, West Virginia

— Five thousand years ago, ancient man invented writing. Five hundred years ago, Renaissance man invented the printing press. Fifty years ago, modern man invented the computer. Five years ago, postmodern man, or person - hy conceiving of all knowl-

MEANWHILE

edge as a universal salami, sliceable and compressible - put the world of information at our beck and call.

We have not yet felt the impact of that most recent revolution of communication. Here is a way to grasp the potential

of digitization and compression: You know how all the old liberals are demanding buge expenditures on bigger prisons with no exits, to accommodate more and more criminals? Instead of spending all that time and money on more and bigger facilides, what if we could shrink the criminals? We could get a hundred times as many hoodlums into half the boosegows

That is what the salami revolution is already doing with information: slicing and shrinking it so that we do not have to rewire the world or reinvent the wheel. As a result, the old industrial world - based on corporate or stateowned machinery driven by fossil fuel is being quickly replaced by the infor-

mation world, driven by the inexhaust-ible intellectual energy of the individual. This insight was vouchsafed to me last week by the French futurologist Joël de Rosnay at the World Economic Forum in Davos, Switzerland. I'm beginning to get what's going on with all these global multimedia mergers and info-highway Gorebledygook. We can deal with it in

plain words and homely metaphors. Picture the face of a clock. At the top, 12 o'clock, is a book; at 3 is a computer; at the hottom, 6, is a television screen; at 9 a telephone. Wind up the clock and watch it become what Mr. de Rosnay

Within the first quarter-hour, we have desktop publishing; in the second quar-ter-hour we have the PC-TV, with its ondemand movies and games; coming up toward the telephone at 9:00, we have the videophone, and in the last quarter, between the phone and the book at the top, we have the fax and all the two-way

nopping and researching.

Now stop thinking of all these devices dividually and mush them all together. No, you don't get a page of print stuck in a computer showing a movie attached to your ear. No linear plodding; take a leap. You get something that you can tell what to do. Those 10 words are

engraved on the key to the Info Age.

I breathed this in wonderment to my son, the software developer, and he hohummed, "You mean the 'intelligent agent." Old stuff to the cutting-edgy. but to us codgers - a world revealed.

Everybody an Aladdin; a personal genie

مكذامن المدصل

at the service of every human being. You program your unimedia device with all your preferences, habits, inter-ests, foibles, capabilities and shortcom-ings; you command it to learn all the complicated codes to relieve you of the dreary details of communication. You confide to it your bank account and job prospects and arrange for it to respond in

your language, at your educational level.
Then you talk or write to this thing in your hand. "Get me to the holistic medicine seminar in Squeedunk on Tuesday and see if there's a dentist in town." It will reply: "It's cheaper to go Wednesday, which is when the seminar begins, and you can have the aisle seat in the smoking section; after the agenda is faxed to us, I will call the databank for background

and brief you on the plane; and whatsa-matter, you got a toothache?"

Sounds blue-sky, but unimedia is what's happening. Your genie will not make simple mistakes (like rooting the word hyperbole in Latin instead of Greek) or permit memory slips (like forgetting it was Francey Lane, not Dinah Shore, who sang on the 1950s' "Easy Does It"). Tell it to help you find a spouse and it will match your tastes to another's in an intranet, dial up the date and print

out directions to the agreed-on bar.

Dangers abound: President Bill Clinton has cravenly allowed NSA (No Such Agency) to bug the info-highway. Futurethicists wonder if virtuous-reality love can compete with virtual-reality porn. And the big one: how in get nur personal genies back in the bottle.

The New York Times.

#### Tolls on the Road?

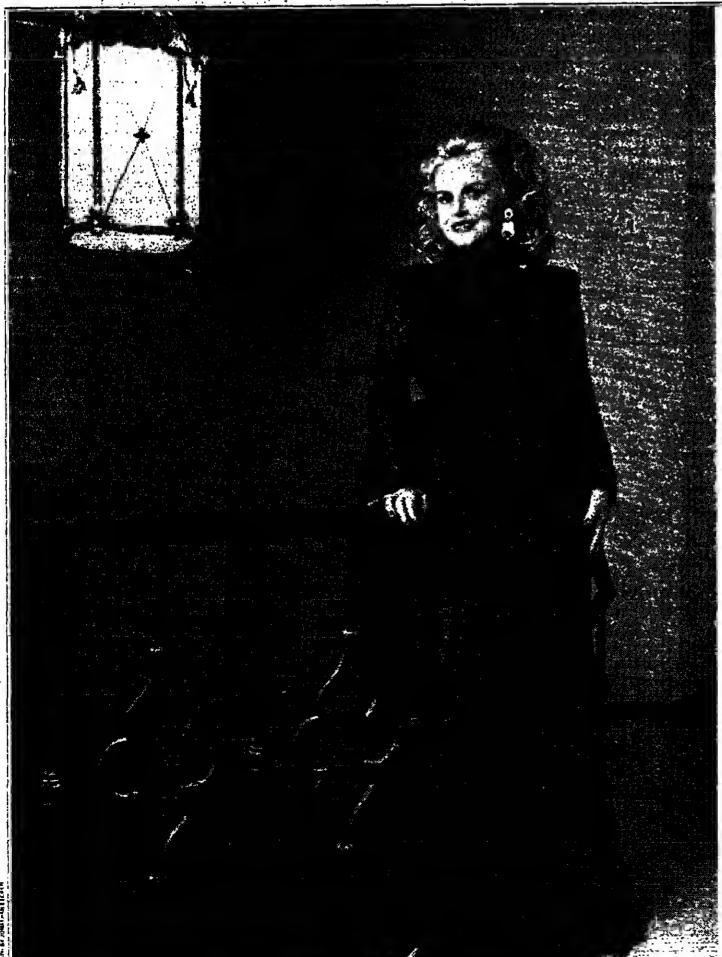
HE INFORMATION revolution is hurling us into unknown economic and social challenges. Those who can afford to tap into the fast-expanding bodgepodge of communications services already enjoy the many benefits. Those who cannot are being left behind.

The Clinton administration has made access to and affordability of the nation's emerging information superhighway a major priority. Vice President Al Gore has outlined the need for miversal service."

Universal service is desirable, much like rural electrification and telephone service. But how is it to be financed?

Should government's role be one of high-tech cop in directing universal service? Should it be a federal investor, as in the electrification of rural America? Should it guarantee the private sector a rate of return in exchange for making access affordable? Or should the private sector provide universal service pro bono? These questions are emerging as the Clinton administration readies a legislative package on telecommunications.

- Los Angeles Times.



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Countess Donasella Pecci-Blust of Fisher Island and Rome. A best-selling author, the Countess heads Milanbased Donatella Pezzi-Blust Inc., the cosmetics company she founded.



the grounds, Vanderbilt erected charming cottages and guest villas amid resplendent gardens and fountains. The mansion and surrounding structures have been restored to their former grandeur as The Fisher fsland Cluo. In recent years, impressive

social and recreational facilities have been added. There is a P.B. Dye championship golf course; an international spa lauded by Town & Country as one of the finest of the 1990s; a racquet club with clay, grass and hard courts; two deepwater mannas which host the largest yachts in the world; a mile of Atlantic beach; and a variety of excellent restaurants.

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shopping plaza with its own bank, post office, trattona and dockmaster's office; and, perhaps most important of all, an atmosphere of security that allows residents to lead a life of privacy and pleasure.

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The ballerina Mathilda Kschessinska wearing a tiara made by Fabergé, and a silver yachting trophy.

# Ins and Outs of the Label Game

ARIS - It was an idea of the extravagant 1980s: a secondary line bearing a designer logo in order to offer the label at a lower price to an ever-wider audience.

But now the concept bas changed. A second designer line becomes a first priority. It is meant to appeal to a different audience, to have a separate image, to express the varied range of a creative spirit and a different facet of the designer's personality. Don-na Karan's sporty DKNY range is a prime example of a fashion line that never plays second fiddle.

Christian Lacroix, a designer associated with the luxe of high fashion, launches for next season his Bazar collection, shown last week on young girls with braids in their hair, boots on their feet and an attitude expressing street rather than salon.

Mixing plaid peasant skirts, frock coats, ethnic-patterned sweaters and lacy tops that are part of his pantheon, Lacroix gave the collection a gust of country air. berry red were used for the short jackets and wide, cuffed pants, the duffel coats, suede jackets and shearling vests. Nylon coats or quilted jackets with Provençal mo-tifs and simple smocks proved that a designer who had seemed in thrail to opulent fabrics and claborate decoration can also work on

The idea is to avoid the idea of a secondary line and to look for a different clientele with a different way of dressing so that this collection becomes analogous to the main line," says Robert Bensoussan-Torres, Lacroix's president, charged with expanding the six-year-old company and

turning it to profit.
His target is 100 million francs
(about \$17 million) sales for Bazar in Europe for its first year, with a later expansion into the Asian and American markets. The line is made by Kenzo, another house in



Lacroix's layered velvet and plaid for his Bazar line.

the fashion group owned by Bernard Arnault. This is also part of an internal reorganization where-by Lacroix's leather goods will be made by Louis Vuitton, and a new fragrance, destined for 1995, created with Parfums Givenchy.

The idea of licensing a designer name across the globe went briefly out of fashion during the 1980s expansion, although companies soon found - Gucci is the prime example - that eleaning up licenses meant reducing royalties. Bensoussan-Torres says that there are now "no more truths."

"Each house makes its own decisions - some for licensing, others for their own production," he says. "But the most important thing is to use creativity to produce salable products.

points of sale in Europe, will price jackets from 2,500 francs, pants from 800 francs and shirts from 700 francs when they go on sale for the fall season.

Sonia Rykiel's Inscriptions line is already established — with her daughter Nathalie as its creative director and driving force. The fall line, shown last week, is sportier and less sophisticated than the main line, and with a distinct personality in its signature knitwear: duffel coats in cuddly bouclette worn over ankle-length floaty skirts; cropped knits bearing the midriff; long

tunics with appliqued patches.

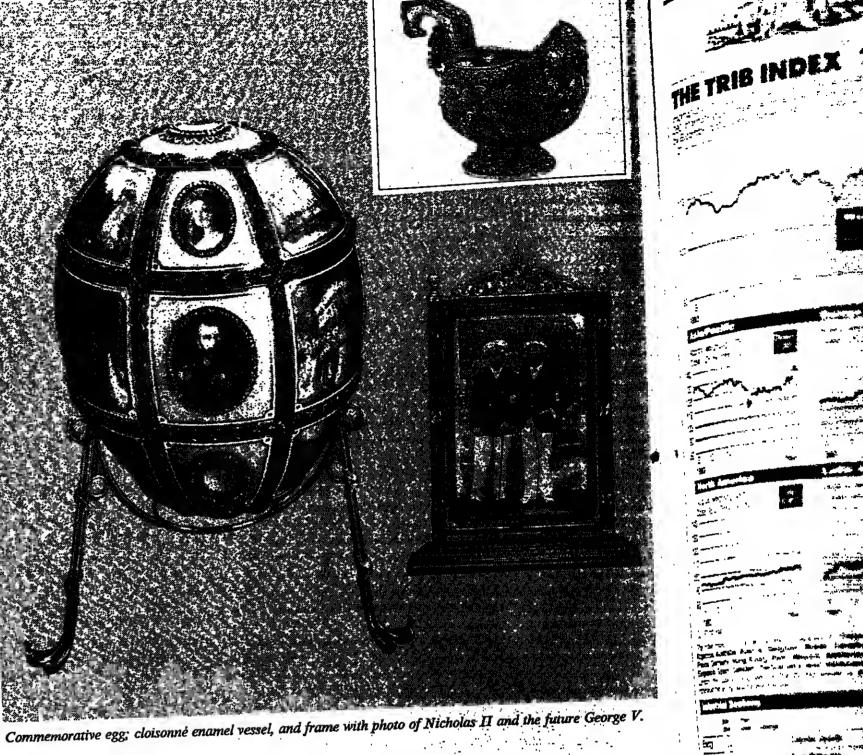
Although hemlines were mostly long or traded for pants, Inscrip-tions had a youthful, jaunty feel enhanced by hip accessories like floppy hats and silver boots.

The roots are part of Rykiel but it's got a different identity and is targeted for a different customer with more casual clothes and more variations in fabrics," says Ry-kiel's Simon Burstein. The line, selling at 30 to 40 percent below 10 percent of the business. not want a secondary line duplicating what we do already," says Burstein. "That would crode the base by eating into our core business. It needs its separate identi-

However well-planned the second-line strategy, will the cus-tomers buy it? Retailers say off the record that sales are not matching expectations for State of Claude Montana, and there are rumors that Raiph Lauren's recently launched new sportswear line has not soared away.

But the point of such collections is to build up steadily a loyal clientele, as Giorgio Armani has done with Emporio. When a secondary line is so successful that it can have free-standing stores, it has earned its place as first-class fashion.

Suzy Menkes



# The Opulent, and Intimate, Fabergé

By Suzy Menkes

ONDON - It would make the perfect St. Valplump red-enamel heart standing thumb-high on a pearl-studded pedestal. A group of womcn — old and young — are gazing at the gewgaw, which swivels to reveal three heart-shaped frames set with miniatures of mother, father and baby daughter.

Since this is one of those heartsand-flowers objects designed by Carl Faberge, the bearded father, elegant wife and fluffy daughter of a century ago are Czar Nicholas II, his wife, Alexandra, and Grand Duchess Olga — the doomed Ro-manovs in the last flourish of their

opulent dynasty. And there you have in a trinket the size of a nurshell the essence of Faberge's appeal to the crowds who are standing patiently in line at the Victoria and Albert Museum in London, just as they did when the exhibition was shown at the Musee

and in its home in St. Petersburg.

Géza von Habsburg, the exhibi-tion's chief curator. "And then there is the nostalgia factor. It represents a still O. K., when all the monarchs were still in situ - and at the same time it is part of the tragic history of the Russian imperial house." Art critics tend to dismiss Fa-

berge's objects — and especially the menagerie of snuffling pigs, stundy stallions and gem-cycl pet dogs — as kitsch for the rich, finely crafted but ultimately just designed to titillate the bored court of a decadent dynasty. Even von Habsburg, director of the Washington-based Fa-

Faberge "too seriously."
"Faberge's art was meant to amuse — they were conversation pieces which fulfilled a function at a time when people were bored," he says. "They were the perfect amsadors for a particular moment of giving. Once given, the moment of glory was past, and they went to

Malcomson entered Uzbekistan

books. So afraid is Malcomson of

writers, that he refers to himself in

the second person, an awkward de-

vice. When he writes "Do you re-

member the poster above the bed of the young Bulgarian student you

know?" he is speaking to himself,

The key to understanding these

racially and culturally mixed ar-

eas, Malcomson posits, is the indi-vidual's search for identity (lead-

ing the reader to wonder whether.

in his travels, he were not search-

ing for his own). Not surprisingly,

be found that people who have been the pawns of empires from

time immemorial are hopelessly unsure about who they are and with whom to cast their lot. His

supporting evidence provides in-teresting insights into these unfre-

quented regions now unhappily in

Luree Miller, whose books in-

chide "On Top of the World: Five

des Arts Deoratifs in Paris last year join the clutter on mantelpieces, as at Sandringham." The V&A exhibition features

just such a table-top collection from tal desk clock; enamel photograph frames containing pictures of czars, German princelings and their sailor-suited children — all Queen Victoria's look-alike relatives....

Even if the crowd pressing around the coronet-topped and scarlet-swagged showcases on Sunday was almost entirely women, it is not true that Faberge appeals only to the female psyche. Malcohn Forbes was a passionate collector of the famous berge Arts Foundation, founded in imperial Easter eggs and bought the 1990, admits that he does not take most fanciful and decorative examples: the sugar-pink enameled egg smothered with pearl lilies of the valley and hiding a diamond-framed miniature of the czar and two of his daughters; or the tiny diamond-studded coronation coach in its primroso-yellow egg. The range of Faberge's colors in enamel remains

an artistic wonder. Some of the most aesthetically satisfying objects are the cigarette cases, handsome relics of the days of innocence when smoking seemed dashing and manly. An entire display case is devoted to the collection of Luzarche d'Azay, a French cavalry officer with mysterious connections who left 18 gold cases, traced with enameled foliage, chased with fans and sunbursts, marked with Arabic inscriptions or showing a map of the Valley of the Nile with cabochon gens marking

towns and maybe love trysts.

A cigarette case from the British royal collection reveals a vignette of illicit love. A sensuous diamond serillicit love. A sensoons diamond ser-pent slithering across deep-blue enamel was given to King Edward VII by his mistress Alice Keppel. At his deathbed, Edward's forgiving wife, Queen Alexandra, gave the case to Keppel as a keepsake. Kep-pel supposedly bequeathed it back to the crown when she died, al-though an essay in the communication. though an essay in the comprehen-sive catalogue suggests that Queen Mary, Alexandra's daughter-in-law and the current queen's grandmother, was an avaricious spider gamering Faberge objects from a web of dispossessed royal relatives.

It is the intimacy of the Faberge gifts, the personal messages and in-trigues, the family photographs and the window on a lost world that appeals to the modern-day audience, even when the object itself. give or take its precious materials and delicate workmanship quite banal, like the bell-push with

its nephrite frog climbing a gilded ladder. A tiny watering can with gold-and-diamond nozzle has the Sandringham House, one of Queen, domestic objects associated with Fa-Flizabeth's residences: the faithful, berge. The ename, photograph thing was rendition of Queen Alexandra's Po-frame with a flourish of ribbons and gift-store copies, but the original has added poignancy when the viewer knows that the family pictured would be murdered in the Russian

Revolution ... The exhibition offers tantelizing insights into other facets of Faberge. New documentation has surfaced since the opening up of the former Soviet Union A series of working drawings — all delicate tracery and fancy garlands — re-creates Faberge's jeweiry, almost none of which has survived, although there are ice and snow crystal pendants, diamonds set in platinum, on show.

HE archives reveal a different aspect of Faberge's prolific work-shops, which produced 150,000 objects between 1885 and 1918, when they were closed by the Bosheviks, two years before Fa-berge died in Switzerland. For the bourgeoisic, the Moscow workshops created richly decorated cloisome enamel boxes with jewelbright colors and Russian heroic imagery. These Faberge pieces, in-spired by his ethnic Russian heritage, are a contrast to the anodyne designs that served as calling cards at international royal gatherings.
Faberge fakes, which von Habs-

burg says have existed almost as long as the real things, are also featured at the V.&A. show as "Fauxberge." Some such pieces, supposedly anthentic, are in collections at the Kremlin and in American museums. According to a re-Side of Power: The Real Armand Hammer," many of the so-called Faberge pieces were created in the period when Hammer was the con-duit from the Soviet Union to the United States.

After the fall of communism, will more genuine Faberge now surface? Von Habsburg says that he does not rule out the possibility that there could have been Politburo collectors whose collections may now find their way on to the market. The opening up of China (where an egg was found in the Shanghai flea market in the 1980s) may also yield Faberge treasures from those Russians who fled East rather than West.

The exhibition at the Hermitage Museum in St. Petersburg last year will help to rehabilitate Faberge in Russia. The aim of the Faberge Arts Foundation is to restore by the turn of the century the St. Petersburg building where the master-craftsman worked as a museum and education center.

In the West, "Faberge - Imperial Jeweller," is pulling in the crowds, and judging by the overwhelming welter of souvenirs in the V&A shop, from postcards to modern recreations of Faberge eggs selling for £6,000 (\$9,000), you can sell anything that approximates Paberge. An critics may scoff and sneer, but an adoring public ensures that Faberge is in style more than a century after its creation.

### **BOOKS**

**IOURNEY TO KHIVA:** A Writer's Search for Cen-

By Philip Glazebrook. 289 pages. \$23. Kodansha. BORDERLANDS:

Nation and Empire

By Scott Malcomson. 250 pages. \$22.95. Faber and Faber.

Reviewed by Luree Miller F OR fans of travel literature there are few greater pleasures than to be guided through unknown lands by an empathetic, ur-

ban traveler who points out subtle

details of place and character and

with a storyteller's skill, seamlessly links them to a country's colorful and turbulent history. This Philip Glazebrook does with elan in "Journey to Khiva: A Writer's Search for Central Asia." Glazebrook, an English novelist,

leaves The Travellers Club in London, takes the train to Moscow, flies in Tashkent (reluctantly, for he would rather go overland), then drives to Samarkand, Bukhara and Khiva. The time is spring 1990, but Glazebrook's search is for the past, for a thread of continuity in these fabled cities of Central Asia.

As a writer of fiction set in times past, he yearns to find physical remnants of the world his characters inhabit

"Journey in Kars," took Glazebrook in the early 1980s through the Balkans to Kars, an Armenian town on the Turkish border with Russia, where he looked longingly across the Iron Curtain, Now, as a member of the Cold War generation who never expected to pene-trate the heart of Asia, he is filled

with excitement and anticipation. But what greets Glazebrook in Samarkand is a "glittering maelstrom of concrete and glass." In Bukhara his botel rises "in tiers of decks above its lagoon of concrete." And the remaining bit of old Khiva he finds has been reconstructed into a Disney-like theme park. So he ambles through markets and narrow streets, peering into mud-walled courtyards, and

feasts and outings, he finds remnants of the rich, warm, ethnic life the Soviets so ruthlessly attempted to destroy. On ubiquitous wooden benches set beneath shade trees, he reads, watches the colorful crowd, reminisces and treats the reader to stories of 19th-century travelers, both Russian and English, whose exploits excite his imagination.

It is a leisurely journey, rich in exquisitely rendered descriptions, but not without incident and frustration.

ln Moscow Glazebrook is attacked and nearly killed in his hotel room by a man with a knife. The indifference of the hotel staff and the ineptitude of the police are appalling Gravely shaken, Glazebrook gleans some small comfort

A similar quest, recounted in sitting in chai hans (tea houses).

#### CHESS

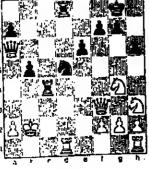
By Robert Byrne MICHAEL ADAMS turned a timid Caro-Kann Defense

into an incisive instrument of counterattack, in a game against Kiril Georgiev. In the main lines of the Caro-Kann, Black yields his strong point

in the center with 3...de; after 4 Ne4, White gets superiority in central space, while Black digs in on three ranks to keep the opponent from further aggrandizement. The purpose of 6 Ng3 is to avoid an exchange of knights, since re-

duction of material benefits the ooc in a cramped position. And, on 6. c6 7 Qe2, there arises the threat of 7 NI7! KI7 8 Qe6 Kg6 9 Bd3 Kh5 10 Qh3 mate.

This is easily warded off by 7...Nb6, but after 8 Bd3, Black must not fall into 8...Qd4? 9 N1f3 Qd5 (9...Bb4? 10 c3 Bc3 11 K/1! costs Black a piece) 10 Ne5! Qg2 11 Rf1 Be7 12 Nef3! Qg4 13 Nf7! which gives White a powerful attack for the sacrificed pawn.



ADAMS/BLACK

LA CARLAL VINNATE Position atter 27 Kb2

After 8...h6 9 N5f3, Black knocks out the white center pawn with

9...e5 10 de Be5. dispense with defense in favor of immediate counterattack with 12...Na4!? 13 Ne5? would have Rc4, Georgiev could not retreat

been met by 13...Qd4! 14 c3 Qf2. Georgiev tried to slow things down by 13 Bb5, yet after 13...Bd7 14 Bd7 Qd7!, he had no time to seize a pawn with 15 Bh6? because 15...Qc7 16 Bg5 Qb6 17 c3 (17 Bf6 gf 18 c3 Rfd8 19 Nh3 Ne3! 20 Rd8 Rd8 21 Qc4 Nd5 may be White's best defense, but Black's advantage is clear here, 100) Ne4 18 Nh3 f6 19 Be3 Be3 20 fe Rac8 21 Rd3 Nac3! 22 bc Nc3 23 Rc3 Rc3 24 Kd2 Qb2 25 Kel Rcl wins for Black.

Georgiev failed to realize the necessity for anchoring his knight with 23 f4 to ward off 23...Nac3! 24 bc Nc3 25 Rd8 Rd8 26 Qc2 Be5. Instead, his 23 Ng4? let Adams strike a blow with 23...Nac3!

Maybe Georgiev had overlooked that he could oot interpolate 24 Nf6 because Adams would win his After his 11 Bd2 O-O 12 O-O, queen by recapturing with 24...Nf6. Georgiev saw that Adams could After 24 bc Bc3 25 Bb2 (25 Kb1 fails against 25...Rc4 26 Qf3 Rb4 27 Kc2 Qa2 28 Kd3 Rd4 mate)

with 26 Oe2 because 26...Bb2 27 Kb2 Rdc8 28 Rd5 Rc2 29 Qc2 Rc2 30 Kc2 Qa2 31 Kc1 Qd5 yields Black a winning queen plus three pawns for 2 rook plus two knights.

After 26 Qf3 Bb2 27 Kb2, Adams fired the final salvo with 27 Rc2! 28 Kc2 Qa2 29 Kd3 Qc4. Georgiev saw that 30 Kd2 Nb4 31 Ke! (or 31 Ke3) ends in 31...Nc2 mate and he gave un.

CARO-KANN DEFENSE

Here, and at some memorable from recalling similar tales from asts and outings, he finds remeating travelers. "Only as an extenillegally. His interviews, anecdotes and copious quotations from ideosion of the past does the present logical treatises are numbered as if transcribed directly from his notecease to be a chaos of unmeaning is his book's theme. All difficulties, as Glazebrook the label "white writer in danger," which he applies to modern travel

says, were worth the joy of simply being in Central Asia, to see the mountains, the steppes, and the cities where Russia and Great Britain played the Great Game for the prize of empire.

Now that that spy-laden round is over, old ethnic rivalries have re-surfaced, a new Russian demagogne calls for reconquest, and another version of the Great Game may be steaming op. We are lucky to have Giazebrook's observant and entertaining interim report with an excellent annotated bibliography and index.

An American, Scott Malcomson, records his trips in 1991 and 1992 to Uzbekistan and the Balkans mite differently in "Borderlands: Nation and Empire." Malcomson is a hip young journalist in a hurry.

Born in 1961, he is now a senior editor at the Village Voice and, according to his book jacket, learned the languages of Romania. Bulgaria, Turkey and Uzbekistan for his travels, surely a dazzline feat to accomplish in so short a time.

Women Explorers in Tibet," wrote this for The Washington Post. WHAT THEY'RE READING Christopher Burke, creative di-rector for Burke & Partners, a

the news.

brand identity agency in Paramus, New Jersey, is reading "Winesburg, Ohio" by Sherwood Anderson: "There's no real story content, but I like the minor images. Anderson admits where he doesn't have the capacity to explain something to you, and I like that. (K. Neil Cukier, IHT)



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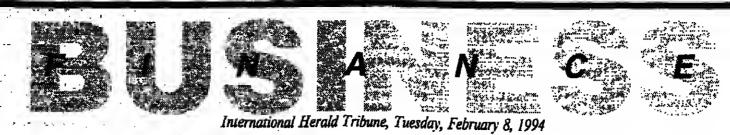
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B. Barrell Albert



International Herald Tribune World Stock Index 6, composed of 280 Internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100. Close: 128.94 Prev.: 130.50 Approx. weighing: 5% Close: 149.88 Prev.: 149.95

114.23 115.11 -0.78

Finance 119.87 121.72 -1.52 Consumer Goods

By Reginald Dale

nam, he should not stop there. The next, and

ultimately much more important, step must be to regularize trade relations with China.

That means ending the anachronistic and potentially protectionist arrangement under which China's access to the American market

is linked to its record on human rights.

The policy, like the Vietnam embargo, owes more to domestic political pressures than to any sober assessment of America's

interests. It makes a nonsense of Washington's avowed aim of admitting China as a full

It is pretty clear that Mr. Clinton wants to

slip out of this corner, into which he unwisely painted himself in his presidential election campaign. But for the moment, he is making matters worse.

In recent days the administration has transmitted a series of high-level warnings to Beijing that Mr. Clinton would be obliged to

suspend China's most-favored-nation status

when the time comes to renew it in June

unless China makes much greater progress on

Ironically, the toughening of the adminis-

tration's position comes just as Congress seems more inclined to end the link between

the two issues, largely because of its poten-tially damaging impact on American ness. It is also argued, correctly, that instead of gestures on human rights, Mr. Clinton ought to place priority on enlisting China's

respecting human rights.

ng Cile

**\*\*** 

member of the world trading system.

sal Herald Tribune

ASHINGTON - Now that

ly mostered the courage to ead the U.S. trade embargo on Viel-

President Bill Clinton has final-

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For more information about the Index, a booldet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gerále, 92521 Neolly Cedex, France.

# Japanese Shift Gears in U.S. Market To Stay in Race, They Stress New Models and Strategies

By Andrew Pollack New York Times Service

TOKYO - Japanese auto executives do not have to be reminded about Chrysler Corp.'s new Neon, the small car with the low price that has been dubbed a "Japanese-car killer."

It is but the latest threat to Japan's auto manufacturers, which these days find themselves in the unaccustomed role of being on the retreat in a growing American market. But the Neon has already been recalled twice because of defects, a portent perhaps

EU car sales rise but the picture is still grim, especially in Germany and Italy. Page 11.

that any notion of knocking out the Japanese

may be fanciful.
"We haven't been killed yet," said Nobuhiko Kawamoto, the president of Honda Motor Co., when asked about the Neon. Indeed, Japanese automakers are taking

steps to regain the share of the U.S. market they lost over the last two years, or at least to stop slipping further.

They are planning new models and trying to plug holes in their product lines in mini-vans and sport utility vehicles. They also are slashing costs at home and shifting production to the United States in an effort to hold down prices in the face of a rising yen. Doubt that the Japanese can come back is dispelled by looking at Nissan Motor Co. After losing ground in the American market for a decade, Nissan's sales in the United States shot up 17 percent last year on the basis of its hot-selling, made-in-America Al-

tima sedan. Its market share rose to 4.9 percent from 4.5 percent, making it the only Japanese company that gained share. "Based on the Nissan experience, Detroit

will very quickly be faced yet again with a significant challenge from Japan," said Ste-phen Usher of Kleinwort Benson Securities

But other analysts were more pessimistic saying the Japanese companies would have difficulty. Because of the high exchange value of the yen, analysts estimated a Japanese car was \$1,500 to \$3,000 more expensive than an equivalent American model.

Some Japanese executives disclaim much interest in market share and say they would be content to see their sales rise, even if not as fast as the overall market.

Toyota says it is looking to sell the same number of vehicles in the United States this year as in 1993, meaning that its share would slip again — from a current 7.4 percent if the overall market grows robustly as expected. Japanese companies may not want to por-

tray themselves as threats at a time auto trade negotiations are at a crucial juncture.

But statements of such limited vistas also suggest that the Japanese, with their profits taking a shellacking from the slump at home and in Europe, cannot afford to cut prices in

the United States to gain market share. Some think they might have to keep raising prices. While the yen's rise was perhaps the main reason that Japan's overall share of the American car and light-truck markets slipped for two years — to 23.1 percent in 1993 from

One is the improvement in the quality, design and cost competitiveness of the cars made by General Motors Corp., Ford Motor Co. and Chrysler.

The other is that the Japanese companies

missed out on the boom in pickup trucks, minivans and sport-utility vehicles, which See CARS, Page 11

3.6% 6.0% 27,013 10,055 19,981 6,860 10.8% # 24.0% 4: 42% 1-24.9% Subaru 3,100 25.7 percent in 1991 - there are two other 10.246 Mazda 4.378

# **U.S. Vehicle Sales** Annual setting rates for cars built in

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*Figures include vehicles built in	ţ j
Ganada and Mexico.	1

• The quarter-point increase in short-term U.S. interest rates by

• Recession in France and Germany is "slowing down" the proattempt by employers to cut wages

by 10 percent by dropping vacation to reduce state aid to industry and proceed with their privatization with their workers, but the small

 The loss of the last domesticaland medium-sized companies that make up the bulk of Gesamtmetall's membership are holding out Germany was irrelevant.

IG Metall said on Monday that it was against European Union mans found a Bridsh company to proposals to weaken the rights of be so attractive," Mr. Clarke said. Western aid to Russia is essential in order to support political stability, but Britain wants the Inident, criticized revised plans to ternational Monetary Fund to ma-

> Nigel Lawson, Mr. Clarke's predecessor, remains "a contender" for the post of secretary-general of the Organization for Economic Co-

# **U.K.** Chancellor Rejects Pound's Return to ERM

By Alan Friedman anonal Herald Tribune

LONDON - Kenneth Clarke, Britain's chancellor of the Exchequer, on Monday called the timetahie for European monetary union "unrealistie" and ruled out the return of the pound to the exchangerate mechanism before 1997.

Mr. Clarke, in his most explicit statement on the subject to date, said that he did not "foresee a situation where Britain will re-enter the ERM in this Parliament."

Unless a general election is called, the British legislature could run until 1997.

"I do not believe in revisiting the scene of the disaster," Mr. Clarke said, referring to a return of the ound to the system from which it

as withdrawn in September 1992. He rejected exchange-rate bands s no longer relevant and called inesd for economic convergence ased upon inflation and budgeteficit targets among those Europenations seeking a single currency.

While insisting that Britain in-ends to play a role in the monetary mion stage of the Maastricht trea-, he added, "I am not at all sure ne ERM will, as presently constiited, ever be back on course." Mr. Clarke also said on Monday:

the Federal Reserve Board on Friday would have no impact on British interest rates, which economists expect to decline at least half a point this year.

gress of Britain's economic recovery. and Europe needs to achieve greater flexibility in its labor markets in order to regain competitiveness. European governments need

programs.

ly owned volume car maker in Britain as a result of last week's pur-chase of Rover Group by Bayerische Motoren Werke AG of "I am delighted that the Ger-

change the concept of a "European date conditions before handing out

operation and Development, even though the U.S. administration has publicly backed Donald Johnston, a prominent Canadian politician. The term of the current OECD

chief. Jean-Claude Paye, expires in Mr. Clarke said he would try to

persuade Washington to reconsider, adding that the Paris-based research organization "needs heavy weight political leadership if it is to re-establish itself."

Mr. Clarke, who warned of "the danger of economic growth with-out full employment, nonetheless rejected the idea of macroeconomic policies specifically designed to trigger job creation and stimulate

See CLARKE, Page 10

# Sculley Quits As Chairman Of Spectrum

NEW YORK - John Sculley resigned Monday as chairman and chief executive of Spectrum Information Technologies Inc., the embattled wireless data company he joined in October after nearly a decade as the top executive at Apple Computer Inc. Observers had raised questions

when he joined the little-known company, and uncertainties grew, including questions about executives' stock dealings, a government investigation and finally, on Monday, news that the company had been overstating its profits.

Stock in the company, which developed technology to send data through cellular telephones, tumb-led \$3,313 per share in over-the-

counter trading Monday, to \$2.25. Mr. Sculley, 54, said that recent events made it clear that be was misled about the company before be was hired. He said he had filed a suit in U.S. District Court in New York against Spectrum's president, Peter Caserta, connected "to the induced to join Spectrum, to my obvious detriment

The company had no immediate

Spectrum's stock had been trading above \$7 two weeks ago but was weakened by rumors that Mr. Scul-ley would leave. Spectrum and Mr.

See SCULLEY, Page 11

# New German Strikes Loom as Talks Fail

strikes in Western Germany's key automotive, electronics and metal-

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121.74 122.32 -0.47

101.06 101.35 -0.29

136.94 141.26 -3.06

Trade and Rights: Time for a Divorce

can interests that are at stake.

help in thwarting North Korea's nuclear-weapons program.

It is not just American business and Ameri-

In an age of global markets, it is dangerous for everyone if trade between two such enor-mous economies becomes subject to the

whims of one political party.

Mr. Clinton seems to have failed to see the

main point of the Uruguay Round, which he trumpets as one of his principal achieve-

It is dangerous for trade

relations to be subject to

ments. The idea is to lay the foundation for a

global economy by setting multilateral rules

China wants to join that system, preferably as a founding member of the World Trade

Organization that is to replace the General

Agreement on Tariffs and Trade next year. The United States, in theory at least, supports

that aspiration by Beijing.

What Washington seems to be forgetting is that when China joins the club, it will be difficult if not impossible for anyone to suspend China's most-favored-nation treatment

on the basis of its human-rights performance.

Although the ingeninty of Washington trade lawyers in finding loopholes should never be underestimated, there simply are no international rules under which human-rights viola-

tions can be used to justify trade restrictions.

In any case, you would have to be crazy to think it is a good idea to suspend China's

**CURRENCY & INTEREST RATES** 

political whims.

counterpart, said the failure to But Gesamtmetall's president, make progress on key issues in the Hans-Joachim Gottschol, offered

By Brandon Mitchener talks in Cologne was likely to result to resume negotiations later this in more work stoppages. But both sides expected more talks.

talks in Cologne was likely to result to resume negotiations later this week at a higher level, with the union's top leadership.

pay raise but has said it was willing to compromise in exchange for job security. The union has released on

"With such employers there is nothing we can do," said Norbert working industries are expected to Wrobel, chief negotiator for IG expand Tuesday after the country's Metall in North Rhine-Westphalia biggest union and employers broke state, Germany's industrial heart-off talks Monday without reaching land.

most-favored-nation stams, which gives its

exports the same low tariffs as America's

other major trading partners. Senator Max Baucus, Democrat of Montana, called it the

trade equivalent of a nuclear bomb, annihilating 96 percent of China's exports to the United States, worth about \$40 billion, virtu-

The fallout would not stop there. Where would all those exports go? The effect on Hong Kong, Taiwan and other big investors

in China would be devastating.

The point about nuclear bombs is that if

you use them, it means your policy has failed. China would immediately retaliate, locking the United States out of the world's biggest

new market. Expansion of the Asia-Pacific

economic cooperation process, one of the major international initiatives of Mr. Clin-ton's first year, would be jeopardized.

There are other ways Mr. Clinton can put pressure on China: holding up World Bank loans, canceling high-level meetings and other forms of cooperation, and withholding tech-

nology as in the recent ban on satellite sales.

Since September, when Washington sud-denly realized it was heading for a confronta-tion with China. Mr. Clinton has moved U.S.

policy in most areas back to the much more

Now, presumably, he hopes that by making a lot of noise on human rights, he will

persuade Beijing to do enough to justify re-newing its most-favored status. It would be

best for everyone if trade and human rights could thereafter be disconnected.

The overriding priority must be to integrate

China into the international system. In the long run, that will be best for human rights too.

modating stance of his predecessor.

ally overnight.

Both IG Metall, the union, and able after the breakdown Monday, Gesamtmetall, the employers' be said, "The signs are very bad."

IG Metall represents roughly half the 3.6 million workers in Asked if strikes were unavoid-

Western Germany's metalworking German industry has been hit by strikes in the past 10 days. Politicians from across the spectrum have urged the union and employers to avoid a strike just as German

The IG Metall board, which

meets Tuesday, was therefore un-

likely to unilaterally declare the

talks a failure.

industry is beginning to recover The employers' federation, which represents most of the companies in the automotive, electronics and metalworking industries, is demanding a cut in vacation bene-fits and overall pay as well as added flexibility in the number of work-

The union is seeking a 6 percent

works councils in EU countries Reuters reported from Frankfurt. Klaus Zwickel, IG Metall's presworks council" to a "mechanism for information and consultation," with a cutback in companies' ohligation to inform the council of some plans.

Many large West German com-

panies have reached agreements

for greater collective savings.

■ Union Assails EU Plan

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Dow Jones Averages

Standard & Poor's Indexes

**HYSE Indexes** 

NASDAQ Indexes

**AMEX Stock Index** 

**Market Sales** 

**Dow Jones Bond Averages** 

N.Y.S.E. Odd-Lot Trading

S&P 100 Index Options

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**EUROPEAN FUTURES** 

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Industrials

Stock indexes

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Low Last Settle

# **Dollar Falls Slightly** After Friday's Gain

NEW YORK - The dollar was slightly lower in thin trading Monday afternoon, giving back some of the hig gaio it made Friday after the Federal Reserve Board moved to raise short-term interest rates.

As trading ended, the dollar was quoted at 1.7587 Deutsche marks. off from its two-and-a-half-year

#### Foreign Exchange

high of 1,7610 DM on Friday, and Bt 108.60 yeo, compared with 109.25 yen before the weekend.

Amy Smith, senior foreign-exchange analyst for the IDEA con-sultancy in New York, said the dollar was "taking a rest from its sharp rise" but that the trend for the currency was still upward. She said she expected it to "test and breach" 1.77 DM early this week,

A dealer at First Boston Corp... said the dollar had started to bounce back against the yen after Lawrence Summers, the U.S. undersecretary mist C. Fred Bergsten calling for the dollar to trade in a range of 90 yen to

with any Treasury view or position we are working on." Mr. Bergsten has previously been seen as an unofficial spokesman about economic matters for President Bill Clinton. Although the trader said the The Dow

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Daily closings of the Dow Jones industrial average

ASONDJF

NYSE Most Actives

**AMEX Most Actives** 

NYSE Diary

Amex Diary

121/2 43/4 6 6 6/4 34/3 4/7/4 7/4 21 6/4 3/4 4 4 34/4 63/4

market was skeptical of the Treasury's denial that it "was or is trying to manipulate the dollar/yen rate," he said there seemed 10 be "a growing trend" of distancing itself from Mr. Bergsteo's remarks.

Against other currencies, the dollar was down to 1.4685 Swiss francs from 1.4725 francs but rose to 5.9620 Freech francs from 5.9610. The pound rose to \$1.4832 from \$1.4825

The Swiss franc gained against both the dollar and the mark after Hans Meyer, a vice president at Swiss National Bank, said there was "oot much" room for further cuts in Swiss interest rates.

Gold prices, which tend to rise with inflationary expectations, fell as the Fed's interest-rate move was viewed as a pre-emptive strike against inflation. On the Commod-

#### MARKET: Blue Chips Rebound

#### Continued from Page 1 ceot - below interest rates on

money-market accounts and certificates of deposit. "Historically, this differential is

reversed by a decline in stock prices, so what happens to psychol-ogy in the next few months is cru-cial," he said, comparing the precial," he said, comparing the pre-sent situation to 1962, also a

#### N.Y. Stocks

period of low dividends, steady economic growth, and low inflation—and a 27 percent decline on Wall Street from Feb. 16 to June 22 "for no apparent reason.

"People just stopped buying." Technical analysts disagreed, and so did some of Wall Street's biggest securities houses. Goldman, Sachs & Co, recommended that investors look for bargains, increasing stock portfolios from 65 to 70 percent for pension funds and 70 to 80 percent for aggressive in-

vestors. Laszlo Biryini, a consultant in Greenwich, Connecticut, and former market analyst for Salomon Brothers Inc., shrugged off Friday as a blip — the latest of about eight since 1986. Half of them, he pointed out, occurred on a Friday because some portfolio managers dump stocks in market upheavals and then go off to enjoy the week-

will be able to take their cash back into a rising market because they

But Robert Walberg, of MMS International, who several months ago predicted the dive last week almost to the day, disagreed and predicted a decline of 20 percent to 25 nercent in stock prices during the next six months or so, with the Dow falling back to the level of 3,000 to 3,200, where it was in mid-

#### ■ IBM and GM Active

Investors returned to manufacturing stocks after Friday's plunge, betting that a stronger economy would be bullish in the long term for those issues, Bloomberg Business News reported.

Exchange's most-active list, rising 24 to 54% after being named one of the most popular stocks among in-

Alcoa and General Motors also were active, with Alcoa gaining 1% to 78 on buy recommendations from Lehman Brothers strategist Elaine Garzarelli

dex climbed 1.91 points to 779.20, led by Apple Computer, which jumped 3 to 364 after a trade magazine reported the company's new

do not have to pay tax on the mon-ey until April 1995. This is a shortterm decline for digestion and coosolidation," he said.

IBM topped the New York Stock NASDAQ Diary stitutional money managers.

end. line of Macintosh personal computers built with a new chip would tors tonk profits Friday and now line of macintosh personal computers built with a new chip would be priced below competing models. The would not say whether he be priced below competing models. The would not say whether he wisit to Paris on Tuesday, during

# CLARKE: Chancellor Rules Out Return of Pound to ERM Before 1997

demand. He added, however, that

rope, should move to ease monetary policy. Paris, he said, had dehe did not see the manufacturing tary policy. Paris, he said, had de-industry "ever coming back" as the

highest real interest rates in Eu- which he is to meet with Prime Min- Mr. Clarke, who has been sug-

GERMAN GOVERNMENT BUNII [LIPFE]
DA 254.000 - 91s of 100 pct
Mar 91.5 98.52 99.04 - 0.46
Jun 99.07 98.00 98.75 - 0.49

116-70 116-00 176-76 — 0-25 115-29 115-24 115-30 — 0-25 ime; 128-865, Open Int.: 116-767.

ister Edouard Balladur and Finance gested in London as a possible suc-Minister Edmond Alphandery. . . . cessor to Prime Minister John Ma-He praised the Bundesbank, jor, said he remained "agnostic" cized hard line on reducing interest should be given greater indepen-rates too rapidly.

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MY RESULTS

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### Time Warner Turns Quarterly Profit

NEW YORK (Bloomberg) - Time Warner Inc. said Monday it carned a net \$7 million in the fourth quarter but lost \$221 million for all of 1993.

The entertainment and publishing giant said the quarterly results compared with a gain of \$68 million a year ago. For all of 1992, Time earned \$86 million. The 1993 loss included a \$70 million charge for a change in income-tax law and a \$57 million loss on early debt retirement.

Fourth-quarter results exceeded analysts' expectations. The company said revenues in the fourth quarter rose to \$1.96 billion from \$1.87 billion.

#### **Lockheed Nondefense Work Grows**

CALABASAS, California (Reuters) -- Lockheed Corp. said Monday its oon-defense businesss grew to 36 percent of its total sales in 1993, up three points from 1992's 33 percent. Sales to foreign countries for the year ended December 26, 1993, rose to 13 percent of revenue from 8 percent a

Overall, for the fourth quarter, the defence industry giant earned \$135 million, or \$2.13 share, on sales of \$3.7 billion, up from net income of \$119 million a year earlier, or \$1.95 share, on \$2.9 billion in sales. For the year, income rose 21 percent, to \$422 million, as sales gained 29 percent,

to \$15.1 billion.

"1993 was an outstanding year for Lockheed," said Daniel Tellep, the chairman. "We had a solid increase in earnings, generated substantial cash flow and significantly reduced outstanding debt." He added, "Our strong cash flow and rapidly improving debt position give us the flexibility to explore other means to enhance shareholder value, including strategically and financially attractive acquisitions."

#### Alitalia and Continental Talking

ROME (Bloomberg) - Alitalia Airlines and Continental Airlines are discussing a possible alliance, an Alitalia spokesman said Monday.

But the spokesman would not confirm Italian newspaper reports that
the airlines have agreed on sharing trans-Atlantic routes and integrating

their sales and reservations systems.

Such an agreement would provide Alitalia passengers with easy links to U.S. cities beyond the main cities where it already flies and would give Continental access to cities in Europe, the Middle East and Africa served

#### Morgan Stanley sets up Africa Fund

JOHANNESBURG (Reuters) - Morgan Stanley & Co. has estabished a \$228 million fund to invest primarily in African securities, with South Africa the chief focus, its local banking adviser said Monday. The Morgan Stanley Africa Investment Fund will be the first U.S.registered closed-end mutual fund listed on the New York Stock Exchange that invests primarily in African securities.

#### Motorola Wins Kuwaiti Contract

ARLINGTON HEIGHTS, III. (Renters) - Motorola Inc. said Monday it won a \$32 million contract to set up the first nanonwide digital

cellular telephone system in Kuwait.

The contract is Motorola's third in the Middle East, following Qatar and the United Arab Emirates. The system will accommodate 50,000 subscribers, beginning with 30,000 by the third quarter, Motorola said.

#### T2 Added to 3-Way Medical Merger

ATLANTA (Bloomberg) - T2 Medical Inc. and three rivals announced a \$550 million merger that would create the nation's second-largest home infusion therapy company.

12 will join a previously planned merger of Curaflex Health Services Inc. of Ontario, Calif., Health Infusion Inc. of Miami, and Medisys Inc. of

Edina, Minn., to form Coram Healthcare Corp.

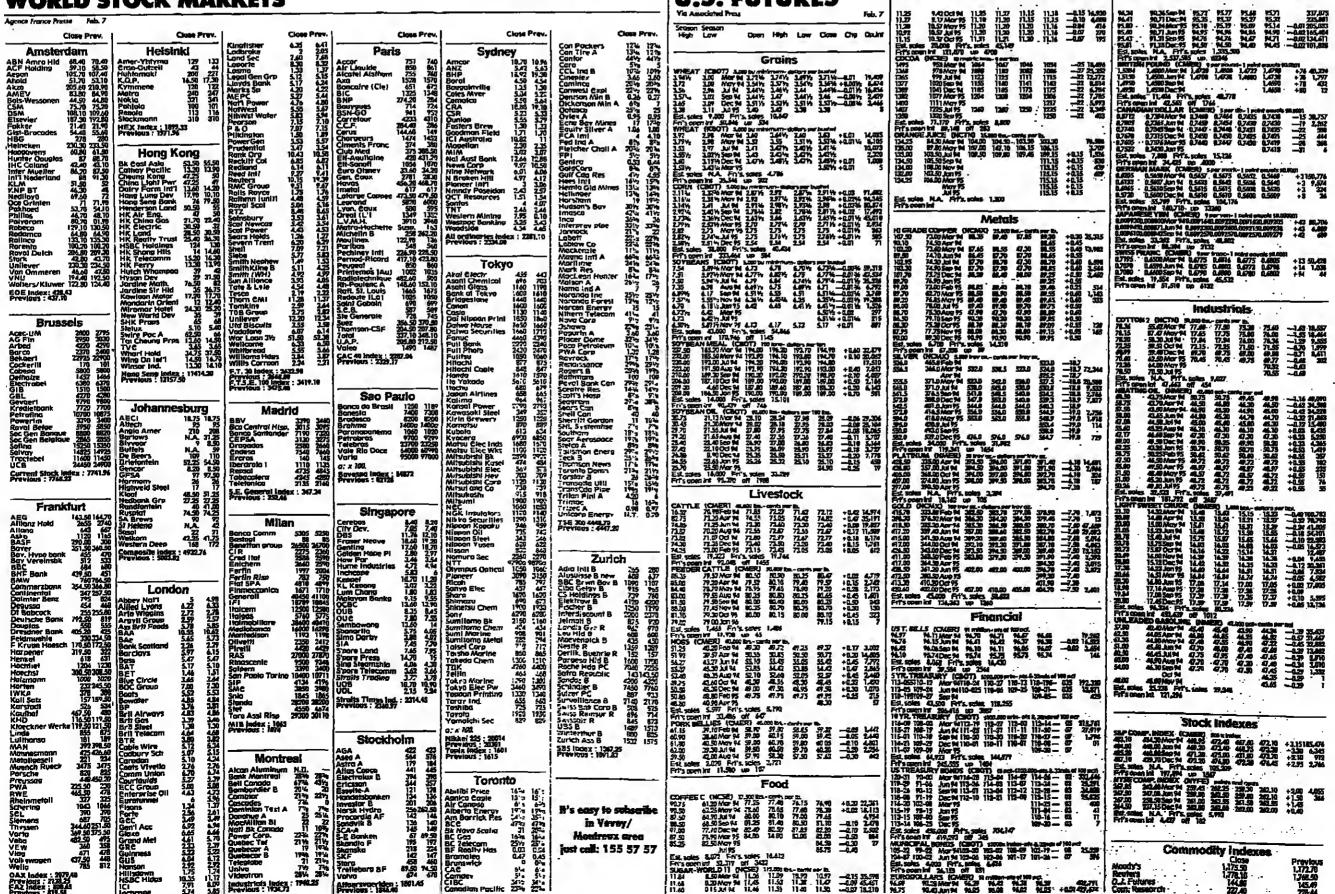
The new company, which will provide numition and drugs intravenously to patients in their homes, is expected to have annual revenue of about \$500 million. The transaction, scheduled for completion by June, will give T2 shareholders ownership of about two-thirds of the new company.

#### **Weekend Box Office**

The Associated Press LOS ANGELES - "Ace Ventura, Pet Detective" topped the weekend box office, earning an estimated \$12 million. Following are the Top 10 moneymakers based on Friday ticket sales and estimated sales for

initialy and Sunday.		
1, "Ace Venturo, Pet Detective" (Womer Brothers)		\$12 million
2. "Mrs. Doubtlire" Twentieth Century-East		Số II MHROI
* Sub-Hortelphio (7) (Shur)		\$5,7 m////or
5. "My Futher, the Raro"   Touchelone Pictures)		SS.5 turbilex
5. "Schindler's List" 1 Universal)		35 milition
6."I'll Do Anything" (Columbia Pictures)		\$4.8 milition
7. "Grumpy Old Merr" . [Warner Brothers)		54.7 million
5. "Blink" (New Line Cinema)		33.P milibor
?. "Intersection" (Paramount)		\$2.3 million
III. "The Petiton Brief" .   Warner Brothers)		. Similar

# **WORLD STOCK MARKETS**



# Germany and Italy Lag as EU Car Sales Rise 7% for Month

Compiled by Our Staff From Dispatches BRUSSELS - Car sales rose in Europe in January but demand remained weak and Germany and Italy, Europe's largest markets, are heading for trouble, analysts said.

January new-car registrations in the 12 countries of the European Union rose 7.0 percent, to 961,840, from 898,940 a year earlier, the European Automobile Manufacturers Association said. But last year's figure had been down 28 percent from 1992 because buyers had rushed to buy cars in December before taxes increased and rebates ran out.

Car sales in January in Western Europe, which includes the 12 EU countries, Austria, Switzerland and the Scandinavian countries, rose 6.3 percent, to 1.03 million, from

West European car sales, down 15 percent for all of last year, still are predicted to be flat or only 2 or 3 percent higher this year, despite the January increase.

"That's a relatively encouraging number only because it's positive," said François Colli, an analyst at Panbas Capital Markets. "Germany is a bit disappointing, however." He predicted German sales would be flat this year.

An official with the European Automobile Manufacturers Association, commenting on the 6.3 per-cent West European increase, said, "It's the first indication that, hopefully, the recession is leveling out." However, he also said the improvement was not dramatic because it reflected an increase over a particularly bad January 1993.

German sales in January rose 2.6 percent, to 244,300 cars, from 238,200, but sales had plunged 28 percent in January 1992 because buyers had rushed to buy cars in December before taxes increased and rebates ran out.

"The domestic market will continne to be weak and orders still are showing no sign of improvement" said Jurgen Melzner, an analyst at Deutsche Bank, who predicted German sales would fall 4 percent this year. "The only encouraging numbers are that German car export demand is growing."

The export market for German cars, including Volkswagen, Mercedes-Benz and BMW models, is picking up thanks to demand in the United States and signs of a revival for top-of-the-line new models in Japan, analysts said.

Car sales in Italy fell 10 percent in January, following a 20 percent drop in all of 1993 and a 14 percent drop in January 1993. Falling family income, worries about rising taxes and cantion ahead of next month's national elections are stunting demand, said Anfia, the Italian car association.

British monthly sales now surpass Italy's, thanks to an 11.6 per-cent rise in 1993 and a 20.4 percent rise this January.

"The U.K. has a good, stable recovery, and that's comforting in the long-term for other countries," Mr. Colli said. "But if we've reached bottom, it might take up to a year for sales to pick up throughout Europe.

(Bloomberg, Reuters)

# Sellers Emerge in Europe

By Erik Ipsen International Herold Tribune
LONDON — European stock

markets reacted sharply Monday to Friday's quarter-point rise in U.S. interest rates, but analysis generally said this did not signal a turn to a bear market.

. "A quarter of a percentage point should not move markets, but it was very important from a psychological point of view," Matthew Merritt, a stock market strategist at NatWest Markets in

In London, the Financial Times-Stock Exchange index of 100 shares fell 99 points in early trading before regaining some confidence after Wall Street showed early strength. It still closed with a loss of 56.30 points, or 1.60 percent.

Elsewhere, the DAX index in Frankfurt fell 2.75 percent, the CAC-40 index in Paris was off 1.81 percent, and most other major European markets fell 1 percent to 3 percent. The European component of the International Herald Tribune World Stock Index fell L&3 percent.

But many analysts viewed the sell-off as minor and perhaps even overdue. In the context of seeing markets rise nonstop over the last year and a half, I would not consider this reaction severe," Roh Sweers, equity strate-gist at Paribas Capital Markets in Amsterdam, said.

Many said they saw no reason to fear the U.S. interest-rate increase would have any impact on Germany's long-anticipated rate cuts. Those cuts, however, are considered likely to be delayed at least another month because of recent growth in the German

# **Belgium Cuts Rates Anyway**

Compiled by Our Staff From Disputches

BRUSSELS - Interest rates in the European Union can come down despite the rise in U.S. short rates, rinance Minister Philippe Maystadt of Belgium said Monday.

He spoke after Belgium's central bank, against expectations, cut its key lending rates earlier in the day. The bank trimmed its central rate for money market lending by 0.15 percentage point to 6.70 percent and its regular overnight interest rate by 0.15 point to 8.20 percent. The Federal Reserve Board-engineered increase prompted spect-

lation that hoped-for cuts in European rates might be delayed. But Mr. Maystadt said there was no threat in the change in relative currency values. "We consider that a certain appreciation of the dollar against European currencies is justified," he said. (Reaters, AP)

"I wouldn't see it having any impact on the timing of the next German move, Michael Burk, currency economist at Citibank in London, said.

The big worry facing Europe-an investors is what a slight rise in American interest rates will mean to Americans' appetite for European shares. Last year, an estimated \$130 billion in investment money flowed out of the United States and belped to push up stock and bond prices from Seoul to Stockholm.

But with some analysts in Enrope now predicting that U.S. interest rates will rise by as much as 1.5 percentage points over the coming year, there is concern that Americans could lose their

liking for overseas investments. Some, however, saw a positive side to the unexpected timing of the Federal Reserve Board's move, which generally had not heen expected until a few months later. By not waiting for hard evidence of a resurgence in inflation, they said, the Fed may have staged a pre-emptive strike. "By acting early, they have avoided the need for an all-out war against inflation," Mr. Burk

Still, with American interest rates now at last beaded higher and European rates still on a downward path, an important threshold in the long bull market has been passed. Mr. Sweers of Paribas said he did not think European investors would easily shrug off the U.S. rate move.

Although he insisted that cager buyers still were waiting in the wings, he said, "I expect that investors will get more cautious and that companies will have to provide better evidence that their carnings are indeed improving."

That in itself would represent major change of stance. By most estimates, German shares, for instance, are now trading at prices averaging a high 30 times ast year's corporate earnings. Meanwhile, the German economy remains deep in recession. and the Bundesbank shows no hurry about cutting rates to bring it off the bottom.

# KKR Starts Venture In Europe

LONDON - Kohlberg, Kravis, Roberts & Co. is establishing its first West European venture-capi-tal company under the leadership of lan Martin, who resigned Monday as nonexecutive deputy chairman of Grand Metropolitan PLC. Mr. Martin will be chairman and chief executive of Kohlberg Kravis's Glenisla Group, which will concentrate on investing in Western European companies.

Mr. Martin, 58, was at Grand Metropolitan for 14 years. He led the company's acquisition of Pillshury Co. in 1988, and helped the U.S. food company increase its profits by 50 percent in 1990. Kohlberg Kravis has about \$2 hillion available for equity invest-

ment worldwide on which Glenisla can draw.
"What differentiates us is that

we could make a £300 million deal or buy a number of smaller operations and string them together." Mr. Martin said. Once acquired, the acquisitions

would be placed under Kohlberg Kravis's management. Mr. Martin said he would then work as the chairman of the acquired company. "We are looking for situations where we can either identify or create value through restructuring and company turnarounds," be said.

see value, but that value has to be drawn out. Mr. Martin's departure from

There may be simuations where we

Grand Metropolitan had been expected. He was passed over at Grand Met for the position of chief executive afficer when Allen Sheppard's role of chairman and chief executive was split last year.

#### Investor's Europe Frankfurt London Paris FTSE 100 Index **CAC 40** DAX. 3400 3300 2200 3200 2100 3100 2000-1800 S ON D J F Exchange index Monday Prev. Close Close Change Amsterdam AEX 428.43 437.10 -1,98 7,768.23 -0.34 7.741.96 Brussels Stock Index 2,079.40 2,138.25 -2.75 Frankfurt Frankfurt -2.31 FAZ 1,971.96 Helsinki HEX Financial Times 30 2,632.90 . 2,668.80 London 3,475.40 -1.62 London FTSE 100 -1.48 Madrid 347.24 352.46 -1.02 Milan MIB 1.063.00 1.074.00 Paris CAC 40 2,287.06 2,329.17 -1.81

#### Very briefly:

Stockholm

Vienna

Affaersvæeriden

Stock Index

SBS

Sweden, in the early stages of recovery from its worst economic recession, urgently needs to reorganize its state debt and ease labor laws, the Organization for Economic Cooperation and Development said. It recommended the government signal its commitment to low inflation hy introducing index-linked debt instruments.

1,801.45

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1,067.29 • 1,091.83

-2.43

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-2.25

 Royal Nedloyd Group NV expects to post a 1993 net loss of about 120 million guiders (\$61.7 million). In 1992 Nedloyd booked a net loss of 58.3 million guilders.

 Alusnisse-Lonza Holding AG plans to raise 400 million Swiss francs (\$276 million) in a rights issue to finance the takeover of Lawson-Mardon Group of Canada. The Swiss chemicals, packaging and aluminum concern also said it expected a net profit of 80 million to 90 million francs in 1993.

 Unidanmark A/S plans to issue 5.5 million of its listed A shares at market value to improve the financial base of its Unibank unit, Denmark's second-largest bank. The issue has a nominal value of 550 million kroner (\$81 million).

• Hanson PLC is planning a public offering of 100 percent of its building subsidiary, Beazer Homes (U.K.) on the London Stock Exchange in March as it seeks to raise cash to pay off some of its £11.4 billion (\$17.1

 French industrial production, excluding the construction industry, rose
 0.4 percent in the third quarter of 1993, compared with the previous quarter, the National Statistics Institute said. The seasonally adjusted industrial production index rose to 108.5 in the third quarter from 108.1

 Dalgety PLC of Britain said it earned £56.4 million (\$78.9 million) pretax in the first balf ended Dec. 31, up 0.3 percent from a year earlier. • Charles Masefield, oow president of Avro International Aerospace has been appointed to head Airbus Industrie's sales department.

. Heinz Schimmelbusch, the dismissed chief executive of Metalligesellschaft AG, is asking for compensation of 10 million deutsche marks (\$5.7 million), the German magazine Der Spiegel reported.

Bloomberg, Reuters, 4FP, AF

#### COMPANY RESULTS

COME MILE	RESULIS				
Revenue and profits or tosses, in millions, are in local currencies unless otherwise indicated.	Year 1972 1972 Revenue 3,907, 5,494, Net Loss 30.55 125,33 Ection	Year 1992 1992 Revenue 2451, 2,700. Not Inc. 14,09 40,99 Per Share 258 674 1992 year net includes pain of 2528 million and charge of	Springs Industries 4th Quar, 1999 1992 Revenue 572.23 531.34 Net Inc. 15.48 14.44 Per Shore 6.87 6.87	Tosco 4th Quer, 1992 1992 Raverue 1,141, 555,0 Nel Inc. 15,71(0)1229 Per Sherm 8,0	Year 1972 1973 Revenue 3.344 16.061. Nel Inc. 177.00 201.00 Per Shore 6.73 0.85
	4th Quor. 1993 1992 Revenue 1,115, 1,638.	525.8 million and charge of 5131 million.	Year 1993 1992	Year 1993 1993	Uplohn
United States	Revenue 1,115, 1,638, Net Inc. 24.00 - 39.00 Per Shore 4.34 - 4.57	LINY (EII) & Co.	Revenue 2021 1574 Nel Inc (a)2529 4450 Per Share 250	Ravenue 1501. 1241, Nel Inc 80.58(017444 Per Share 228	Ath Quar. 1992 1992 1992 Revenue 926.35 967.16 Nel Inc 161.72 154.24
Armco 410 Quer. 1972 1991	Year 1993 . 1992	4fh Quar. 1993 1972 Revenue 1,801, 1,455.	a: Loss.	a: Loss,	Per Shore 0.92 0.86
Revenue 363.50 464.00	Revenue 4.01. 4.101. Net Inc. 173.00(a) 128.0	Oper Net 332.40 . 3 1.20	Sprint	Tribune	Year 1993 1992 Revenue 3411, 3597.
Net Loss 78,00 376,70 Year 1993 1993	Per Snore	1993 net exclude charges of	11h Quar 1993 1992	4th Goor. 1992 1993	Net Inc. 392.46 324.37 Per Share 218 1.78
Revenue 1.664, 1.673.	Emerson Electric	SESS million	Revenue 2,961, 2,720. Oper Not 190.10 114,90	Revenue S13.85 522.12	
Net Loss 441,30 -429,90 Nets include charges of 57.9	1et Course 2004 1907	McGraw-Hill	Oper Shore Basi 6.34	Per Shore 0.00 0.57	USAir 4th Goar. 1972 1992
million vs. 58.4 million, 1993 nets also include charges of	Revenue 2,010. 1,984.	4th Quor1993 1992	Year 1773 1772 Revenue 11,16a, 10,420. Oper Net 480,40 476,10	Year 1993 1992 Revenue 1,953 2,105	Revenue 1,802, 1A35
\$45 million in guarter and of	Not the 178.00 143.20 Per Shore 0.77 0.73	Revenue 662.63 578.68 Hel Inc 44.88 44.67	Oper Net 480.60 496.10 Oper Shore 1.39 1.46	Nul Inc. 18841 117.53 Per Shore 2.36 1.46	Net Loss 116.54 254.04 Year 1993 1972
\$250.50 million in full your.	GTE	Per Shore 0.91 0.91 Year 1793 1992	1913 year net excludes losses		Revenue 7.083. 6.486. Net Loss 393.12 1.229.
Burlington Industries 1st Quer. 1994 1992	Oh Guar. 1992 1992	Revenue 2,195, 2,050.	of SALS million and charge of 3394.2 million.	Tyco Int'l.	
Revenue 471.92 459.14	Net Inc \$063. \$133.	Net Inc 11.44 28.57 Per Share 0.23 0.58	Stone Container	REVENUE 802.58 745.15	Wosbinston Post
Net Inc 18.86 5.29 Per Share 0.28 0.08	Per Share Q.44	1993 nets include pain of \$90.7	4th Quar, 1972 1972	Per Share 0.57	Revonue 395.44 393.84
Coastal Corp.	Year 1974 77.984. Wet Inc. 700.00(0)7540	militan to sure ter and charge of \$160.8 militan in your	Net Loss 85.46 76.70	1st Half 1992 1992	Net Inc Q.A JAZ Per Shore 163 24
4th Quor. 1993 - 1992	Her Inc 100,00(a)7540	Nat'l Intergroup	Year 1993 1993	Revenue 1.591 1.594. Net Inc. 57.13(e)20.77	Year 1992 1993
Net Inc. — 2549, 2534, Net Inc. — 7590(a) 1544, Per Share	a: Loss.	3rd Quar. 1993 1992 Revenue 1,397, 1,301	Net Loss 358.79 369.40	a: loss.	Not inc 1495, 1451, Per Sture 1486 10.60
Year 1992 1992	4th Quee: 1993 1992	Not Inc. : 2 - 7.58 (0)4-35	Textroe	Tyson Foods	
Nel Inc. 10.136 16.062	Net Loss 1200 178-20	9 Months 1973 1992	4th Quer_ 1772 1772	1st Oppr. 1992 1992	Whiripgol eth Quari 1993 1992
Per Shora 1.80 —	Year 1992 1993	Revenue 4055. 3.518. Nat Inc 12.98 4.95	Revenos 2,400, 2,700, Net Inc 102,50 90.48	Net Inc. 4138 37.40	RESCRIPTION 1.904, 1.806.
cludes charge of \$125 million.	Revenue 6351. 6566. Nat Loss 161.00 137.30	Per Shore 8.40 - 8.44	Per Share 1.13 1.02 Year 1773 1773	Per Shore 0.30 0.27	Net Inc 64.00 62.00 Per Share 0.94 0.87
Per shore results after pre- terred dividends.	Household	o: Loss, 1992 nets Include charges of \$428 million.	Revenue 9.100, 8.300.	UAL	Year 1992 1992 Revenue 7533, 7,301,
Coco-Cola Enterprises	4th Quert 1773 1772		Net Inc 379.10 \$24.10 Per Shore 421 3.64	Year 1992 1993	Net Inc 51,00 205,00
4th Quar 1773 1772	Revenue 871.20 749.00	Owens-Corning Filt.	Times Mirrer	Rarvenue 14,511, 12,890, Net Louis 50,00 957,00	Per Share
Revenue 1.372, 1.279, No! Inc 4.00(a)31.00	Net tric 7100 59.00 Per Shore 8.70 - 8.43	Revenue 754.00 * 734.00	4th Quer, 1993 1992	1993 year results include \$59 million charge, \$20 million	\$25 million in quarter and of
Per Shore 0.03	Year 1992 1992 Revenue 2305 2,760	Net Inc 33.60 14.00 Per Shore 0.75 0.23	Revenue 1,019, 980.24 Oper Net 23.15(a)44.53	toreton exchange lass, and	SZZ milition in full year.
Year 1993 1992 Revenue 5.465, 5,127.	rief inc 298.70 199.90	Year 1993 1992	Oper Shore_ 0.18 -	\$17 million gain.	Witco
Net Loss 15.00 766.00	Per Share 291 1.97	Revenue 2,944, 2,878. Net Inc 13L00 73.80	Yacr 1993 1972 Revenue 3714, 3.594	Union Carbide	4th Quar. 1993 1977 Revenue 499_33 456.48
a: Loss.	4th Oper 1773 1 7772	Per Share 3.00 1.70	Oper Not 164.11 35.32	9th Qoor. 1972 1972 Revenue 1,873, 1,167,	Net LOSS 75 133
Colgate-Palmolive	Revenue 5,982. 4,100.	Nets Include casts of \$14 mil- iton in 1992 quarter and of \$25	Oper Shore 1.27 0.27 a: Loss.	NOT INC 44,00 17,00	Year 1993 1972 Revenue 2143, 1,779,
4th Quar, 1993 1992 Revenue 1,540, 1,571.	Per Shore 1.77	million vs. \$16 million in tuli	Timken	Per Share 0.26 0.12 Year 1972 1993	Net Inc 19.76 39.18
Net Inc. 122.10 119.90 Per Sturre 0.78 0.46	Yen; 1993 1993 Revenue 22,762, 22,977	The Control of the Control	4th Coor. 1993 1992	Het Inc. 4440, 4472	
Year 1993 1992	Net Inc 712.00(q)885.0	bittida bomes	Revenue 4353 378.14 Nel Inc 023.96 8.12	Per Shore 0.36	Xerox 40 Quer. 1993 1992
Revenue 7,141, 7,007.	Per Shore 7.32	Ath Quar. 1773 1972. Revenue 773.93 127.75	Year 1973 1972	a: loss,	Revenue 4177, 4275.
Not Inc. 189.90 477.00 Per Secre 1.08 2.92	: Knight-Ridder	Het Inc 11477 94.62 Per Short 872 0.60	Revenue 1,707, 1,642, Net (nc 92/1,93 4,45	Unocal	Oper Shore 234.00 716.00
Continental Atribues	4th Oper. 1773 1772	Year 1993 1992	Per Shore 0.13	470 Goter. 1993 1992	Year 1991 1993
		December 3543 3434	a; loss. 1993 year results In-	Reverse 1.965. 2.461.	REVENUE 14.601_ 14.661.
4th Qoor. 1993 1992 Revenue 1,369, 1,339, Net Loss 26,55 13,79	Net Inc \$1.23 618.7	Net Inc 353.19 100.34	chade charges of \$302.3 mil-	Nat Inc 35.00 94.00	Oper Net 62000 560.00 Oper Share_ 5.46 5.15

#### SCULLEY: Spectrum Chief Quits Continued from Page 9 last week after news that top man-Sculley issued a statement on Jan. agers had executed large portions

25 denying those rumors. and Exchange Commission investi-gation of the company was dis-closed. On Monday, Mr. Sculley Mr. Sculley also said he had

inquiry from news reports. The company's stock fell again

GNG

of their stock options in November But the same day, a Securities and early December, taking advan-

said he had learned of the SEC raised questions about the way Spectrum accounted for revenue "Although the company has from licensing fees. He said he had known of these inquiries, I was not asked an outside auditor to review informed of them either before I the accounting practice, and the joined the company or at any time auditor recommended that the prior to Jan. 25, 1994," he said.

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Herald Eribune.

## REPUBLIC OF COTE D'IVOIRE

Union - Discipline - Travail

OFFICE OF THE PRIME MINISTER

COMMITTEE FOR THE PRIVATIZATION AND RESTRUCTURING OF THE PARASTATAL SECTOR

#### INVITATION TO TENDER

IDENTIFICATION AND IMPLEMENTATION OF A COMMUNICATION STRATEGY IN THE AREA OF PRIVATIZATION

#### ARTICLE 1 - SUBJECT OF THE INVITATION TO TENDER

The subject of this invitation to tender concerns the identification and implementation of a communication strategy for the privatization programme in the Republic of Côte d'Ivoire.

#### ARTICLE 2 - FINANCING

Services will be paid from the resources made available to the Government of Côte d'Ivoire by the International Development Association (World Bank) (Crédit N°IVC - 2363).

#### ARTICLE 3 - BIDDING DOCUMENTS

Bidding documents are available at the following address: COMITE DE PRIVATISATION ET DE RESTRUCTURATION

DU SECTEUR PARA-PUBLIC

6, Boulevard de l'Indénié 01 BP 1141 ABIDJAN - PLATEAU REPUBLIC OF COTE D'IVOIRE

**WEST AFRICA** Tel.: (225) 22 22 31/22 22 32 Fax: (225) 22 22 35

for a non refundable fee of CFAF 50.000 (fifty thousand CFA francs) in cheque addressed to the Comité de Privatisation (CFAF 1 = FF 0.01).

#### ARTICLE 4 - SUBMISSION OF BIDDING DOCUMENTS The bidding documents should be submitted on or before March 17th,

1994, 18:00 hours GMT at the address indicated above.

#### ARTICLE 5 - OPENING OF BIDS

Bids will be opened on March 18th, 1994 at 9:00 hours GMT at the Direction des Marchés Publics in Abidjan, Côte d'Ivoire.

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The global unemployment crisis Hong Kong - Beijing negotiations Russia's shaky democracy Political reform in Japan

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Finland	FM	2,400	40	1,300	700
France	F,F	1.850	60	1,070	590
Germany	E III	700	32	385	210
Great Bream	[2	210	32	115	65
Greece	Dr	75,000	78	41,000	22,000
fretand	Ent	220	37	125	65
taly	Lee	500,000	47	275.000	150,000
Lencembourg	L Ft	14,000	36	7,700	4,200
Nemerianda	R	770	40	420	230
Nonesv	N Kr	3,500	36	1,900	1,050
Portugal	Fic	47,000	36	26,000	14,000
Specia	Ptas.	48.000	34	25,500	14,500
- hand deliv Madrid	Pas	55,000	24	27,900	14,500
Sweden (armali)	SKr	3.100	34	1,700	900
- hand delive:v	SM	3,500	26	1,900	1,000
Swizerland	5 Fı	_610	44	335	185
Rest of Europe to CEI	5	485	-	265	145
CEL N. Africa, former French African Middle East	s	630		345	190
Gull States Asia. Central and South America	<u>S</u>	780	-	430	235
Rest of Africa	5	900	-	485	270

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But the Japanese companies have some advantages, not the least loyal American customers happy

with their Japanese cars. And the

still have a quality edge, if a shrink-ing one, which translates into a

higher resale value for used cars.

The surest way for the Japanese

to gain back market share is with a

popular new product, as Nissan showed with the Altima and also

with the Quest minivan, built for it

increase sales 10 to 20 percent, said

Misutaka Kurumisawa, deputy

general manager of European and North American operations. It will

introduce a new Maxima, its high-

end sodan, in the spring, followed about a year from now by a new Sentra, its economy model.

Honda, long the epitome of success in the United States, saw its

sales drop 6.8 percent last year and its market share, including its

Acura division, fall to 5.1 percent

The company said it expected a

UNITED STATES

sales increase this year because of a

from 6 percent in 1992.

This year Nissan is hoping to

by Ford.

Confineed from Page 9

now account for roughly 40 percent of the American light-vehicle market.

now account for roughly 40 percent of the American light-vehicle market.

now Accord introduced last summer, and it has started to sell a costs from the rise of the year.

They are also designing and producing some models specifically for made only passenger cars.

CARS: Japanese Hustle to Regain U.S. Market Share

The Japanese held 29.1 percent of the passenger car market in 1993, down only 1.1 percent in the two years. But in light trucks, their Later this year, Honda will intromarket share last year was 13.6 cross between a passenger car and

Japanese executives said they misjudged the extent of this market shift. In addition, pickup trucks and two-door sport-unitity vehicles are classified as commercial vehicles subject to a 25 percent U.S. tariff, virtually pricing such models out of the market.

increasing production at their

COLTENI minivans. The new product, based on the

Accord, is expected to have a lower floor than most minivans, allowing easier entry yet a high ceiling to maintain the roominess of a van. Virtually all the companies are

They are also designing and pro-ducing some models specifically for

the American market. Toyota is do-Later this year, Honda will intro-duce a minivan of its own design. The continuous say the vehicle will be a continuous continuous announced continuous c at the Chicago Auto Show last week. Honda plans to design and build a new model of the Acura in the United States for introduction in the 1996 model year.

> In the long run, the Japanese hope to cut costs enough to com-pensate for the yea's rise, but that will take time.

#### INVITATION FOR TENDER PREQUALIFICATION

Supply of various equipment for hospital developments at Berea, Mokhotlong and Qacha's Nek.

The Government of Lesotho has obtained funds from the African Development Fund for the development of various hospitals in

The project will comprise of the supply, installation and commissioning of equipment as follows:

A. LABORATORY EQUIPMENT

D. DENTAL EQUIPMENT E. MEDICAL UTENSILS H. HOSPITAL EQUIPMENT

L SURGICAL INSTRUMENTS P. PHYSIOTHERAPY EQUIPMENT R. MEDICAL REFRIGERATORS

Suppliers wishing to be prequalified for participation in the bidding are invited to submit completed prequalification questionnaires to the address given below not later than 18th March 1994.

> The Project Coordinator Rural Health Services Project Ministry of Health P.O. Box 7429 MASERU, 100 Lesotho

Tel: 312468 Southern Africa Prequalification questionnaires and further information may be obmined free of charge at the above address.

Fax: 310041

Smooth as silk is a smile that comes from the heart not the handbook.

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Indonesia

Near Deal

On Power

JAKARTA — Indonesia is to sign a deal with a foreign

consortium to produce elec-

tricity from a planned \$2.3 bil-

tion coal-fired power plant in

East Java, industry sources

They said the Paiton power deal, the first major venture

involving the private sector,

would open a potentially lu-

crative area for foreign and

The consortium, grouped

under a joint venture called PT

Paiton Energy Co., includes Mitsui & Co. of Japan and Mission Energy BV of the Netherlands, a unit of Mission

Energy of the United States. Both hold 32.5 percent.

The government and the

consortium have agreed, after

almost two years of negotia-

tions, on pricing tariffs for the

two 610-megawatt units.

domestic investment.

said Monday

عكذامن الأصل

# Asian Stock Markets Slide Hong Kong and Thailand Lead Sell-Off

By Kevin Murphy

HONG KONG — Spooked by a small rise in U.S. interest rates, Asian stock markets stumbled Monday — badly in Hong Kong and Thailand — as investors looked to New York for signs that the region's bull run was over. The Hang Seng index in Hong Kong feil 743.30 points, or 6.1 percent, and the Stock Exchange of Thailand index quickened a monthlong slide, dropping 6.9 per-cent in heavy trading led by small

In Tokyo, Asia's biggest market, the Nikkei average closed down 287.03 points, nr 1.4 percent, at 20,014.40. But analysts said developments in the United States played little part, as Japanese investors were focusing on domestic

economic and political problems. Elsewhere, bowever, investors from New Zealand to Seoul seemed tn fear that the U.S. interest-rate increase Friday and that day's 2.4 percent decline in the New York stock market could slow the strong flows of American investment that have lifted most Asian markets to

Designed as a pre-emptive move against inflation by the Federal Re- New York shows signs of falling

serve Board, the quarter-point increase in a short-term interest rate, the federal funds rate, prompted Wall Street's biggest single-day loss in two years.

"The Asian markets reacted as usual - they overreacted," William Phillips, managing director of Salomon Brothers Hong Kong Ltd., said, citing the region's strong growth in corporate earnings and prospects for increased exports to a rebounding U.S. economy.

But it was the fickleness of the markets, which climbed steeply in 1993 as foreign investors chased high returns, that seemed to weigh heavily on most traders' minds.

"External factors have brought Thailand down," Mark Reinecke, a dealer with Baring Securities in Bangkok, said. "And domestic factors will make sure it stays on its knees. The overreaction has been phenomenal.

"If Wall Street takes another tumble, all bets are off in some of these markets," Mr. Phillips said. Several Asian markets will be closed in the next few days to celebrate the Lunar New Year, raising fears that some investors would be

tempted to sell heavily Tuesday if

over a time of market closings.

The Kuala Lumpur composite index, one of the strongest performers in the region in 1993, lost 4.6 percent Monday, continuing the weakness it has shown over the past five weeks. The Seoul market declined 2.9 percent, and Jakarta and Manila fell as well.

The Straits Times index in Singa-pore fell 2.0 percent, the All Ordinaries Index in Sydney lost 2.2 per-cent, and Wellington's Top 40 index finished down 2.0 percent.

Archie Hart, research head of Crosby Securities in Hong Kong, said, "There will be a time when people stop and look at this market and decide nothing bas really changed," citing such fundamental factors as the still booming business with a rapidly growing if trou-

But in the meantime, some major investors may be poised to step out of Hong Kong and other Asian markets for a while, saying stocks had just become too expensive.

"President Suharto has approved the agreement and it is Nomura Research Institute Eulikely the contract will be rope, for example, is recommendsigned between Feb. 9 and 15," one source said. ing that its clients not hold any Hong Kong stocks.

# Tokyo Near Accord On Stimulus That **Delays Tax Rise**

By Steven Brull

TOKYO - Japan's coalition government failed Monday to meet a self-imposed deadline for a compromise economic stimulus plan, but it appeared set in reach an accord Tuesday that would represent a victory by Socialist coalition mem-

bers over the Ministry of Finance Coalition leaders and Finance Ministry officials met all day Monday without reaching agreement on a tax proposal. The plan is the core of the economic pump-priming measures that Prime Minister Morihiro Hosokawa wants to deliver when be meets President Bill Clin-

ton in Washington on Friday. The coalition leaders, bowever, hinted that progress had been made and indicated a compromise putting off a tax increase would be within reach when discussions resumed Tuesday.

"The gears are really beginning to mesh, but we haven't yet reached an agreement," Yuichi Ichikawa, secretary-general of Komeito, one of the coalition parties, said.

The coalition has been in disarray since Thursday, when Mr. Hosokawa announced plans to impose a 7 percent value-added tax, starting in 1997, to finance 6 trillion yen (\$55.33 billion) in income tax cuts over the next three years. Mr. Hosokawa quickly retracted the plan after the Socialists, the coalition's largest party, objected.

The Socialists support cutting the income tax to belp Japan's recession-bound economy, but they vehemently oppose the proposed

Japanese Bank Loans Slow

Compiled by Our Staff From Dispatches

Monday their first year-on-year decline in monthly lending since data was first compiled in 1954.

The Federation of Bankers Association said its members lent 222.16 trillion yen (\$1.99 billion) in January, down 1.1 percent from

December and 0.7 percent below the first month of 1993. The group

attributed the decline to fewer business starts and lower capital

investment. Deposits fell to 175.52 trillion yen, down 0.5 percent

Separately, Standard & Poor's Corp. said Japanese banks would

adopt a gradual approach to writing off bad loans, with some taking up to a decade to clean up their balance spects. "The fact that

substantial write-offs will have to occur has already been factored

into the ratings," the agency said. It warned that a long period of

write-offs would pressure bank stocks and thus the entire Tokyo

equity market, which would limit the ability of the banks to use hidden reserves to absorb problem loans. (Bloomberg, AFX)

from December and 0.4 percent from January 1993.

TOKYO - Japan's 11 major commercial banks reported on

offsetting tax. The Finance Ministry has been equally adamant in demanding that the coalition eventually raise the value-added tax to finance any cuts in the income tax.

The likely compromise would scrap the so-called people's welfare tax and set up a committee that would have one year to agree on how the income-tax cut would be financed, according to Japanese media reports. That would buy time for the Socialists but mark a major loss of face for the Finance Ministry, which bas urged that the issue be settled now

An agreement on Tuesday would come in time for the ministry to prepare a draft of its budget for the fiscal year that begins April 1 by Thursday, the day Mr. Hosokawa is to leave for Washington.

Separately on Monday, the coalition approved a plan to raise taxes on liquor, adding an estimated 100 hillion yen to government revenue, Japanese media reported.

Mr. Hosokawa needs the budget and the pump-priming package to demonstrate that Japan is doing its part to reduce its trade surplus with the United States. The stimulus measures are important because Tokyo and Washington remain at an impasse over the U.S. demand that Japan agree to "objective criteria" for measuring progress in the opening of its markets.

That sense of crisis was deepened Monday when the government reported that Japan's current account surplus had swollen to a record \$131.35 billion in 1993 from the previous record level of \$117.55

#### Hong Kong Tokyo Singapore Straits Times 20000 -2300 10000-2290· 2000 17000-7000 S'ON DJF 1993 1994 Exchange. . index Monday .. Close Close Change Hang Seng 11,414,20 12,157.50 -6.11 Hong Kong Singapore Straits Times 2,314.45 2,360.97 All Ordinari 2,281.10 2,332:80 20,014.40 20,301.43 -1.41 Tokyo -4.65 Kuala Lumpur Composite 1.094.02 1.147.32 SET 1,344.81 1,443.81 -6.86 Bangkok 914.88 942.60 Seoul Composite Stock -2.94 Weighted Price 6,294.13 Tame Closed .2,890,94 2,965.38 -2.51 Composite Manife Jakarta Stock Index N.A. 601.83 NZSE-40 2 365,50 2,413.24 -1.98 1,894.61 +4.62

#### Very briefly:

Investor's Asia

Shoichiro Tnyoda, chairman of Toyota Motor Corp., was named president of the Keidanren employers' group, succeeding Gaishi Hiraiwa. The appointment must be approved by a general assembly May 27.

 Metro Pacific Corp., a subsidiary of the First Pacific Group of Hong Kong, is planning a pre-emptive rights offer to raise up to \$3.7 billion to finance the acquisition of companies in the Philippines. It will sell 30 million shares to staff under its employee stock option plan

Japanese investors bought a record \$3.5 billion of foreign stocks in December, boosting net purchases in 1993 to a four-year high of \$15.3 billion, the Finance Ministry said.

 Australia's retail trade volume fell 1.5 percent in December, to a seasonally adjusted 8.34 billion Australian dollars (\$6 billion), from 8.47 billion dollars the month before, the Australian Bureau of Statistics said.

Alcatel-CIT and Alcatel Cable Contracting, units of Alcatel Alsthom, have won a 380 million franc (\$64 million) fiber-optic cable order from Indonesia's state-run PT Telekom. The cable will link Jakarta with the eastern island of Bali.

install a 25,000-line switching system in the Vietnamese port of Haiphong. Mitsui & Co. of Japan will arrange financing for the deal with Vietnam Post and Telecommunications. Northern Telecom Ltd. of Canada has signed a \$6.1 million deal to

 Nissho Iwai Corp., the Japanese trading bouse will establish a \$10 million chemical-fertilizer joint venture with Vietnam's Southern Fertilizer Co, in Ho Chi Minh City, a company spokeswoman said. The new company is owned 51 percent by Nissho Iwai and the remaining 49

China Airlines. Taiwan's flag carrier, is considering the sale of up in \$200 million of convertible bonds overseas this year.

 Yamazaki Baking Co. of Japan has agreed to buy Vie de France Corp.'s U.S. restaurant business for \$20 million.

 Ricob Corp., the Japanese office supplies and equipment maker, has entered into a joint venture with RPG Industries Ltd. of India for manufacturing and marketing fax and copier machines. RPG will have a 34 percent stake and Ricoh 26 percent. The remaining 40 percent will be AFX, Reuters, AFP, Bloomberg

# Hong Kong Developer Attracts Bidder

HONG KONG - HKR International Ltd., a real estate developer, said Monday that an unidentified bidder wanted to buy part of the company. There was specula-tion that the Chinese-controlled

CITIC Pacifie Ltd. was the poten-HKR provides recreational services for residential housing on Lantau Island, a sparsely populat-ed area that is likely to be linked with Hong Kong Island and the Kowloon Peninsula if a controver-

sial airport project is completed. Trading in HKR, its parent company, Mingly Corp., and in CITIC Pacific was suspended Monday on the Hong Kong Stock Exchange, fueling the speculation that CITIC was the buyer in question.

The fact that a Chinese company appears ready to buy into Lantan. Island suggests that Beijing intends to see the airport project through, despite its protests about the amount of debt China could inherit from the airport.

Financing for the airport, the largest public works project in the. CITIC's interest in HKR would world because it involves building be a commercial endorsement of

an artificial island, has been the the airport project and developsubject of considerable bickering ment on Lantau Island. CTFIC also

The two countries have not yet link to Hong Kong.

between Britain and China. Britain would be likely to push for Lanis to hand its colony back to China tan's Discovery Bay to be included the bridge-and-tunnel airport

agreed to a final plan to finance the approximately \$20.3 billion cost, and Chinese officials have said they

The fact that a Chinese company appears ready to buy into Lantau Island suggests that Beijing intends to see the airport project through.

refuse to be responsible for any debt connected with the airport. After lengthy and unproductive meetings with China on the subject, Hong Kong officials have gone ahead with the project without Beijing's approval. If the project is completed, the land owned by HKR on Lantau Island - now

only accessible by lerry — is likely to soar in commercial value. CITIC's interest in HKR would

Kong Island, have become keenly sought after by refugees from Hong Kong's increasing crowds and dramatic rises in property values.

HKR International recently offered 104 units on the island for sale, and they were oversubscribed 43 times. That suggests the company's assets may look like good value to CITIC Pacific, which, as an investor, has been willing to pay top dollar for quality properties, CITIC is an investment holding production growth.

unit of China International Trust & Investment Corp. of Beijing, CI-TIC Pacific has interests in a regional airline, Hong Kong Dragon Airlines Ltd., and other industrial and property investments.

HKR and Mingly said no new shares would be issued. They did not detail the size of any pending (Reuters, Bloomberg) ■ Bureacrats Get a Break

China on Monday gave state workers a 44-hour work week, down from their usual 48, in essence allowing them Saturday af-ternoons off for the first time since the communist takeover of 1949, Reuters reported from Beijing. The change, decreed by the State

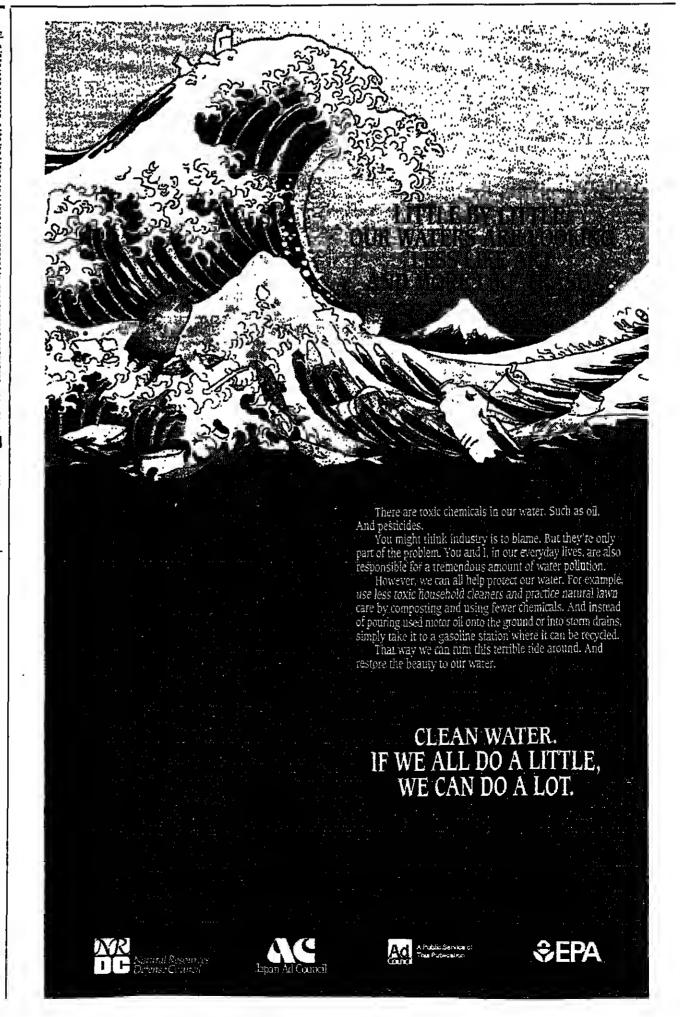
Council and reported by the official Xinhua news agency, follows last month's adoption of China's first nationwide minimum-wage standards. Even at 44 hours, or five-and-s

half days, China's official work week is one of the world's longest, a relic of four decades of orthodox socialist labour management that gauged national prestige on steady

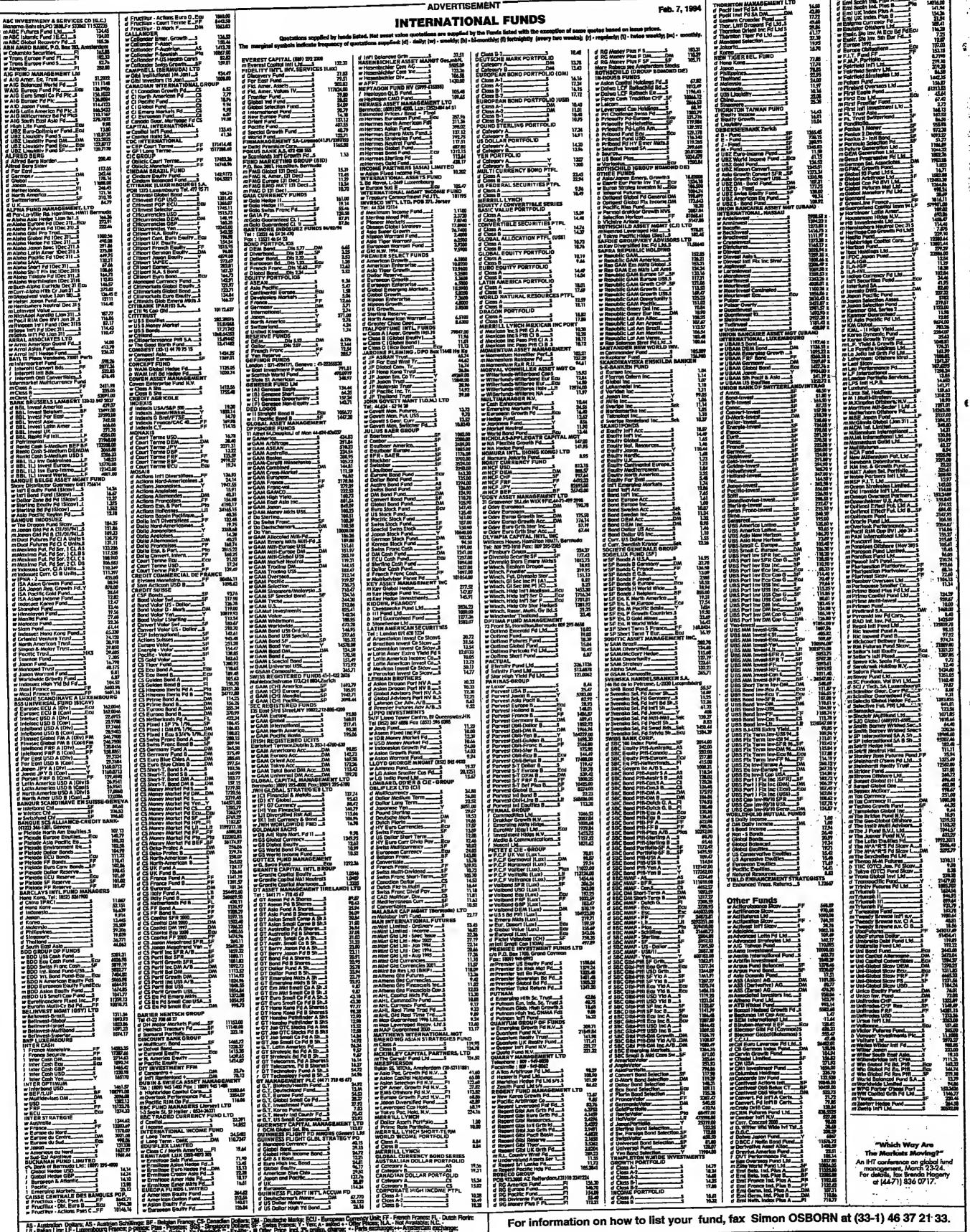
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INTERNATIONAL HERALD TRIBUNE, TUESDAY, FEBRUARY 8, 1994

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# **SPORTS**

# **Kentucky Starts** Big Week Right

A mooth before the "March Madness" of the NCAA championship tournament starts, Kentucky's coach, Rick Pitino, is giving his team a taste of what's to come. The seveoth-ranked Wildcats started a tough seven-day stretch

### COLLEGE BASKETBALL

Sunday by beating No. 11 Massachusetts, 67-64.

On Wednesday, Kentucky (18-3) will be at home to No. 6 Arkansas of the Southeastern Conference. On Saturday, the Wildcats will be at No. 15 Syracuse of the Big East.
Against the Minutemen (17-4) of the Atlantic 10, Jared Prickett got 17 points and 15 rebounds in the

ford, New Jersey.
"I think Jared realized that if we didn't rebound, we wouldn't win," Pitino said. "We were fortunate to the win the game. I'm very proud of our guys and the way they executed down the stretch.

Kentucky scored the game's final seven points. Lou Roe had 28 points and 13 rebounds for Massachusetts, but did oot get open for a

traught over his team's poor play, saw signs of progress.

"It means I learned a lot about my team," Calipari said. "I learned that we're a little bit better than I thought.

No. 3 Kansas 94, Nebraska 87: Steve Woodberry scored 25 points as Kansas (20-3, 5-2 Big Eight) became the first Division 1 team to win 20 games this season. Eric Piatkowski had 26 for visiting Nebras-No. 8 Purdue 87, Iowa 78: Glenn

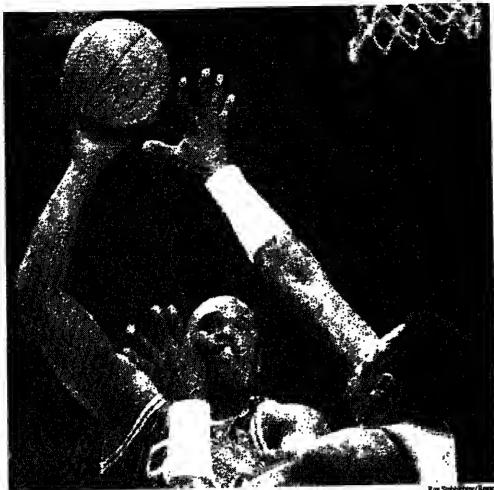
Robinson, leading the Big Ten at 28.5 poiots a game, scored 34 for host Purdue (18-3, 6-3). He got all of the Boilermakers' points during a 13-4 run in the second half that stopped lowa (9-9, 3-6). No. 9 Louisville 78, Vanderbilt

neutral-site game at East Ruther-62: Freshmao guard DeJuan Wheat had 21 points and led an early second-half spurt for Louisville (18-2). Billy McCaffrey made five 3-pointers and scored 21 for visiting Vanderbilt (10-8).

No. 18 Saint Louis 91, DePaul 81: Erwin Claggett scored 13 points in the first 10½ minutes and finished with 22 for host Saint Louis husetts, but did oot get open for a hot in the last three minutes.

But the Massachusetts' coach.

18-1, 5-1 Great Midwest). Brandon Cole had 14 for DePaul (13-6, 2-5).



Shaquille O'Neal, left, and the Magic ran out of tricks against Patrick Ewing and the Knicks.

**NBA Standings** 

EASTERN CONFERENCE

# Second Chance in France Famed Chance To The Transport of the Property of the

By Ian Thomsen

International Herald Tribute BOULOGNE, France - The buildings gleam even on a cloudy day. They were made of glass and metal and designed to never appear old. But a short time after moving into the suburban office park here, the new French horse racing agen-cy was deciding last month to shut down the most beautiful race track

in the world.
"It is a beautiful track," agrees
Charles Le Tertre, secretary general of GIE-GALOP, a recent conglomcration of the three former racing societies of France. "In a way for me it is very sad, because I love Chantilly. But we have to decide. Emotion and economy are not the same thing. The decision was made by our 12 members, like any man-

ager or chairman does every day." In return for a government-aid package of 700 million francs (\$118.6 million) over five years, the racing societies promised to unify under one roof and shut down at least one of the nine Paris tracks to save money. The 12-member committee decided unanimously to close the track at Maisons-Laffitte to the west of Paris in 1995. Then nine members voted to shut down Chantilly because of the 15 million

Anobelm 1 1 6-2
First Period: A-Socco 7, C-Smith 4 (B. SufJer); C-Roenick 22 (Poulin); C-Matheau 13 (B.
Sufter, Smith). Second Period: A-Laney 18.
Shots on goal: C (on Hebert) 6-144-24. A (on
Belfour) 10-12-6-28.
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Edmonton

First Period; E-Krovchuk 9; E-Arnott 19
(Krovchuk, Cerson), Second Period; W-Quinidi 6 (Eogles); E-Corson 22 (Byotic, Krovchuk) (pp.); W-Emerson 27 (Komedy, Shonnon); E-Oksiuto 1 (Krovchuk, Arnott), Third
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remat Period: F-Servicins / (1997). Iconel Period: F-Servicins 9 (Murphy, vil) / F-Bernes 11 (Folismo), Shotson pool: B -1]-8—38, F-8-7-4—19, Goolles—B, Riendeou,

Because the decision was not unan-oow a museum. The race track is

sport that, today, struggles as a business. It has changed little in more than 100 years. A 1830s painting shows the horses and their uniformed jockeys encircling the green field, much as they did last spring. In the early days of the track, the infield was filled with families dressed for Sunday. Married men sat with their wives in carriages drawn by horses. Single men wore top hats and rode horses. The children rode horses. In the spring today the spectators try to dress just as elegantly, but they arrive in automobiles, and many

have oever ridden a horse. The race track is a vast empty. field in winter, and at first the only clues to its existence are the white oval skeletons of fencing. As you continue walking toward the chatean, the solitary grandstand appears to the right from behind the bare woods. The chateau, which came first, today depends upon the track somewhat. A polished relic overlooking its own garden of statnes and symmetrical ponds, it is

imous, it was put off to a larger vote the following week.

To step from the woods of Chantilly and into the grand, grassy de Diane, two of the greatest races clearing of the race course is to in the world. To attend these races recognize the native culture of this past and onward as surely as the horses pass by. If the track were closed, then the neighbor hoodwould die in a sense. In short time, the place would lack all relevance. More specifically, the men who train 2,500 horses in Chantilly feared that their training center city would lose stature without the track. None of these concerns were imagined by Prince Lobanoff, who, in 1833 was crossing the green with friends when he decided to hold a race. That was how the track began. Before the end of the century, the nobility was donating the land to be operated as a public race course. Private industries settled around it. The great stables opposite the grand-stand have been turned into a living museum, with horses displayed in training. The grandstand has been left just as it was built in 1879 by the famed architect Danmet, who then walked across the green and

began renovating the chateau. In 1994, then, the politicians and speculators had to work out a deal.
The local politicians were sincere,
because they know a museum works best if crowds can still be heard cheering. The race course recreates that feeling every spring. As for the the horsemen, they cannot bear watching the destruction of their temple. Within five days the local government agencies had formed the Societé d'Economie Mixte Locale (SEML), which promised an initial 15 million francs to save Chantilly. The Aga Khan and Sheikh Mohammed ibn Rashid al Maktoum, the United Arab Emirates' defense minister, who is a mafor owner of race horse, have expressed an interest in investing in

the course, according to Le Tertre, the head of the racing agency. "So it was good that we had this vote. Le Tertre says from his top t floor office. "It got people started talking, and they came up with the money. Now the track at Deauville is talking about an arrangement like this. Perhaps this is will be the new way of operating horse tracks," !

The members of the Societé d'Encouragement, a subcommittee of GIE-GALOP, voted late last month, by 47-3, to keep Chantilly alive. The SEML has vowed that Chantilly will be renovated and op-erated without costing the GIE-GALOP money. But there is still the matter of the 124 million franc deficit anticipated by French racing this year, and the fact that more as the national lotteries grow in.

The track in Maisons-Laffitte is proof of the diminishing fortunes" of French courses: There is a chatean nearby, but out of sight. The track's proximity to the river Seme has made the going heavy, and its two-kilometer straight — the longest in France — is also difficult on the horses. On its own terms, it is a unique park, green and private. But there is a noisy factory next door: Only the local mayor's office fought for its survival. No one knows what will become of the land

# **Spurs Bounce Nets** To Win 7 Straight

"San Antonio Spurs" and "NBA

elite" don't often appear in the same sentence, but that should

The Spurs defeated the New Jersey Nets, 104-102, in overtime Sunday night to complete a three-game road trip with three victories. San Antonio has a seven-game winning

#### **NBA HIGHLIGHTS**

streak, at present the longest in the National Baskethall Association. With only one game left before the All-Star break, the Spurs are

33-14 and only 1½ games behind the Houston Rockets in the Midwest Division. Only the Rockets, the Seattle SuperSonics, New York Knicks, Chicago Bulls and Atlanta Hawks have a better record than San Antonio, and oot by much.

"I like what I am seeing with this team," center David Robinson said. re growing up and maturing and coming on as a team. Dennis Rodman has really helped. I feel this year we are equipped to win. I didn't feel like that in the past." Robinson was key to San Anto-

nio's victory, sinking two foul shots with 4.1 seconds left to make it 104-102. He then deflected the ensuing inbounds pass to prevent New Jersey from getting off a decent shot at the end of overtime.

Robinson played 51 minutes, and had 36 points and 12 rebounds. Rodman grahbed 20 rebounds; it was the 18th time he has had at least 20 in a game this season.

Derrick Coleman led New Jersey

with 28 points and 14 rebounds, but he fouled Rohinsoo on a drive

down the lane to put the San Antonio center oo the line for the gamewinning points.

Suns 89, Bulls 88: Chicago, playing in Phoenix for the first time since winning its third straight NBA title on John Paxson's lastsecond 3-pointer last June, had another chance at a last-shot victory but closely guarded Scottie Pippen

shot an airball at the buzzer.

Kevin Johnson, who missed 15
of the last 16 games because of a lower-leg injury, led the Suns with

Knicks 95, Magic 77: In Madison Square Garden, Patrick Ewing got the better of Shaquille O'Neal as New York won for the seventh time in eight games.

Ewing got 32 points and nine rebounds; O'Neal had 22 and 13. Charles Oakley had 21 rebounds for New York. Rockets 101, Timberwolves 90: In Houston, Hakeem Olajuwon had 25 points and 17 rebounds, and

Otis Thorpe added 19 points and 17 rebounds against Minnesota. It was also announced that the

trade that was to bring Sean Elliott from Detroit to Rockets had been voided when Elliott failed his phys-The Rockets' coach, Rudy Tom-

janovich, would oot say what part of the physical Elliott had failed, and the Pistons president, Tom Wilson, said, "I don't want to comment on that because it invades Sean's element of privacy."

Wilson added: "But 1 can tell you that whatever the condition is, it doesn't prevent him from play-

### NFC Wins Pro Bowl

HONOLULU - Bobby Hebert, a late replacement for the injured Troy Aikman in the Pro Bowl, engioccred two second-half scoring drives that gave the National Football Conference a 17-3 victory over the American Conference.

The Atlanta Falcons' quarter-back completed four of six throws for 68 yards, one a 15-yard touch-down pass to Cris Carter of the The Atlanta Falcons' quarter-Minnesota Vikings 1:19 into the final quarter Sunday.

That followed a fumble recovery by Chicago's Richard Dent at the

AFC 19. after Minnesota's John Randle stripped the ball from Warren Moon of the Houston Oilers.
Andre Rison of the Falcons, who
had six catches for 86 yards, was
voted the game's most valuable

The NFC defense came up with four interceptions and two fumble recoveries. Chicago's Donnell Woolford intercepted a pass by Boomer Esiason of the New York Tets in the NFC end 2000 WILD 4:30 left to ensure victory. Tight end Brent Jones of the San

New York 21 21 22 24-95

O: O'Neol 7-16 8-11 22, Hordoway 4-12 4-7 13;

NY: Ewing 15-21 2-2 37, Starks 6-16 3-4 18, Reboonds—Orlondo 7 (O'Neol 13), New York 69 (Ookley 21), Asists—Orlando 18 Hardoway 5), New York 26 (Storks 9), Golden Starte 28 24 25-164 Washinston 31 26 20 7-2 44 G: Owens 18-16 9-2 20, Webber 12-15 2-6 24, Surewell 9-20 3-3 23; W: Gougliotto 8-16 1-6 18, Cheoney 9-24 1-4 19, Rebounds—Golden Starte 56 (Webber 17), Westingston 31 (Gogflotto 10), Assists—Golden Starte 27 (Johnson 8), Washington 17 (Adams 8), Chicago 19 13 71 17-56 Pheenix 5. Chicago 19 14 1-2 19, K. Lehmson 8-16 6-7 22, Rebounds—Chicago 38 (Grant 12), Phoenix 59 (Green 121, Assists—Chicago 21 (Phopen 5, Kukoc 5), Phoenix 26 (Malerte 81, Son Antonio 18 26 38 21 11-104 New Jersey 24 18 26 23 9-102 S: W.Anderson 7-17 4-5 18, Robinson 12-25 12-15 36, NJ: Colornon 11-18 4-5 28, K.Anderson 9-23 7-9 26, Rebounds—Son Antonio 57 (Rodman 20), Naw Jersey 47 (Colornon 141, Assists— Francisco 49ers fractured his right ankle in the first half. He will be able to begin working out again in six to eight weeks, which means he should be ready of training camp. Some of the NFL's big names missed the game because of injuries, including quarterbacks Aikman of Dallas, Joe Montana of Kansas City and Phil Simms of the

New York Giants: running backs Emmitt Smith of Dallas and Barry Sanders of Detroit; wide receivers Andre Reed of Buffalo and Sterling Sharpe of Green Bay, and defen-sive end Bruce Smith of Buffalo.

#### SCOREBOARD Son Antonio 21 (W.Anderson, Robinson, Del Negro 6), New Jersey 26 (K.Anderson M1. Alimesoto 22 26 17 25— 98 Houston 90 33 15 26—181 At; Loettner 9-14 3-5 19, West 12-24 6-5 30; H; BASKETBALE

Thorpe 6-18 7-11 19, Okajawan 10-20 5-10 25. Re-bounds—Allmesota 46 (Leetiner 12), Houston 59 (Okajawan 17, Thorpe 17). Assists—Minneso-

Major College Scores

Duquesne 88, Rutgers 71
Kentucky 67, Massachusetts 64
Florido St. 100, Virginia 64
Louisville 78, Vanderbill 62
Notre Dame 88, Georato 85
Buller 69, Loyola, 11, 66
Evansville 91, Detroit Marcy 84
Kansos 94, Nebraska 87
Partice 87, Loyola 87

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Washington	24	25	4	52	169	166
Philadelphia	24	26	3	51	187	178
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Tampa Bay	)9	28	4	44	137	361
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Montreal	27	19	8	62	177	153
Boston	26	18	9	4)	170	132
Buttale	26	22	5	57	177	142
Quebec	21	27	5	0	174	185
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WESTERN CONFERENCE I T PH GE GA

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(SI), 1815 Ferries Scher (More, Rothle); S.J.-Goudreou 72 (Crolgwell, Whitney), Shot on spot: S.J. 10-7-9-26. O 15-12-9-36. Geol les-S.J., Wolfe, D. Wolksluk, Moog.

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# **OLYMPIC SPORTS**

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1, Emese Hunyody, Austria, 2 minutes, 7,13 seconds; 2, Mikreio Doscolu, Romania, 2:07.22; 3, And Friedinger, Germony, 2:07.32; 4, Nortico Munekriti, Jopont, 2:08.22; 5, Urifus Adeberg, Germony, 2:09.99; 6, Anette Tonsberg, Norvay, 2:09.85; 7, Mie Uehartu, Jopont, 2:11.79; 8, Emese Artol, Austria, 2:12.46; 9, Liudmito Prologisteva, Kozotkukor, 2:12.32; 10, Bacchon 64, 1000, Netberlands, 2:12.32.

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 Uehero, 8:06.42; 6. Doscala, 8:08.02; 7. Helke Warnicke, Germany, 8:10.97, 8. Adebera, 8:12.25; 9. Torsburd, 8:13.02; 10. Antol. 8:13.77; Fines stondings (offer 4 events) 2:1, historicky, 177.400; 2. Adebera, 172.73; 3. Doscala, 178.50; 5. Frieslands, 180.401; 6. Uehora, 180.407; 7. Antol. 182.973; 8. Tombera, 182.171; 9. Prokashava, 182.317; 10. Imprid Liepa, Canada, 184.137

#### TENNIS DAVIS CUP

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uruguay 5, Caba 2; Marcato Filippini, def. Juon Pino, 42, 74 (7-4); Diego Perez, def. Mario Tobarez, 6-1, 6-4. Canada I., Jameios S. Sebastien Larsou, del. Kari Hote, 6-1, 6-1; Daniel Nestor, def. Nicholas Malcolin. 6-0, 6-2. Venesuela 4. Parassay I.: Jinny Szy-monsky, Venesuelo, def. Ruber Alvarevia. Para opusy, 64, 7-8, 7-8; Ricardo Mena. Parasuay, def. Nicolas Pereiro, Venesuela, 6-4, 6-3, 6-3.

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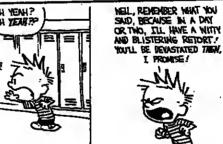






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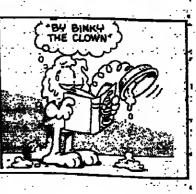




#### GARFIELD







# SPORTS

# For the Bosnians in Lillehammer, Death Remains Their Companion

By Jere Longman
New York Times Service

LILLEHAMMER, Norway — After 11 months of being trapped, Igor Boras thought he had escaped war-torn Sarajevo. By the time he arrived at the Olympics, the hemorrhaging had

As he walked through the Oslo amport, Boras looked up at a television screen. It was showing bodies stacked where bread and macaroni and beans had once been in Sarajevo's central market. Sixty-eight were dead, some 200 wounded by a moriar attack. A prosthesis lay on the ground, attached to a boot but no longer to a person. Boras did not want to see any more.

He could have been in that market on Saturday, if a UN plane had not whisked him away a: day, if a UN plane had not whisked him away a civil engineer. There was no hope of calling day earlier to begin his preparations for bob-shedding at the Winter Games. Boras said he

lived in a Catholic seminary, only 100 meters away from the market where people came to buy food and trade clothes. The semmary was safer than his parents' home, and he could count on electricity and extra food for his

"I couldn't stop crying." Boras was saying now in the Olympic athletes' village, sitting on a couch, legs crossed, back in front of a television, his eyes now dry and hollow. On the screen, the carnage had its own logo — Terror in Sarajevo — and theme music. "Life is so cheap now, worth the price of one bullet,"

He did not know for sure, but his parents would not likely have been at the market. His mother is an English teacher, his father a retired

He is 26, a Croat, tall and pale, with the clipped haircut of incarceration. He is built like a basketball player now instead of a thick, muscular bobsledder. He has lost 18 pounds (8 kilos) in the last year. The Olympics are not for winning just for proving that he is still alive. "Life is made of small things, and this small thing is very important for Sarajevo." Boras said. "I want to be here to show people that we are not savages, that we are oormal, and to show people that we still believe in our countries."

There are eight others here with him on the Bosnia-Herzegovina Olympic team — three Serbs, two Croats and four Muslims — athletes living and training together when their whole country has blown apart.

Zaciragic left Sarajevo on Jan. 25, making his way to the airport in an armored personnel carrier. Here in Norway, he said, he is eating only once a day because the food is too rich after a diet of bread and water at home. He sat with Boras in the Olympic village on Sunday, watching the bloody stack of bodies on televi-sion, leaning forward in his chair, mouth agape, his thick hands clenched, wondering why some-one will not stop the fighting. Disgusted, he blamed President Bill Clinton of the United States and President François Mitterrand of France and Prime Minister John Major of Britain for their inaction. He mentioned their names and the words came out as if he were

"I am worried about my girlfriend," Boras cent of Muslims and Serbs and Croats want to live together in peace," said Nizar Zaciragic. He is 26, a Croat, tall and pale, with the another member of the bobsled team.

Zaciragic said, "Clinton and Mitterrand and live together in peace," said Nizar Zaciragic. Major, they are drinking whiskey and eating find out that they were safe and the bouse was steaks and playing golf. They don't care. They are dolls. There is some great eminence pulling their strings behind a curtain."

The nine Bosnian athletes will march in Saturday's opening ceremony at the Olympics, walking behind the Bosnian flag with its field of white and its crest bearing a silver slash and golden lilies. Zaciragic said he felt more numh

than proud.
"It's a strange feeling like I had an operation on my body and they used an anesthetic," he

Verona Marjanovic, a 20-year-old luger, the daughter of a Serbian father and Croadan mother, said she felt selfish and guilty. She has been out of Sarajevo exactly one year. On Friday, she spoke to her father and mother and

"I'm ashamed to be here," Marjanovic said, adding: "I left all these people and they are getting killed, and I'm here just to do sports. If you live in Sarajevo, you don't know what it is to be free, if you're not in Sarajevo, you don't have to worry about food, you don't have to worry about getting killed while you sleep, you don't have to worry about drinking a cup of coffce in a café."

What happens after the Games? Will Bosnia's athletes go home? These are questions Boras asks himself over and over, and still he

has no answers. "The only wish of my mother is that I get out and stay out." he said, his voice halting, "She doesn't want me to come home. She wants me

# Jordan Gets Wish: **A Baseball Contract**

. E. office

CHICAGO - Michael Jordan, the retired star of the National Basketball Association, agreed Monday to a minor-league baseball contract with the major leagues' Chicago White Sox and will go to

Jordan, 31, fielded questions after fielding pop-ups and grounders in front of about 200 reporters, photographers and camera operators at a gym near Comiskey Park in his first work out in front of media. He also entered the batting cage to hit some soft pitches from a White Sox scout and then some harder throws from a college player. "I've never been afraid to fail," Jordan said. "That's something you have to deal with in reality. I think I'm strong enough as a person to accept failing. But I can't accept not trying."

Jordan agreed to a contract with the Nashville Sounds, the White Sox affiliate in the Class AAA American Association. Jordan said he is willing to go to the minors if the White Sox think he can make it to the majors. He said he will try to make the major league chib this

"He'll have to earn it, nothing's going to be given to him," said the White Sox general manager, Ron Schueler. "We're going to go north.

Schueler said Jordan will need a lot of work in Sarasota, Florida, site of the club's camp, and added: "He's going to have some sore hands for a couple of weeks."

Jordan's efforts to play baseball with the White Sox became serious last month, even though he hasn't played baseball since high school. He has been taking batting practice from Schneler, a former

major league pitcher.

Both Schueler and the team's manager, Gene Lamont, have said that Jordan's hitting has progressed, but both have also said that it's a one-in-a-million chance for him to make a major league team. despite his athletic abilities.

Jordan has said that playing baseball was something his father, who was murdered last summer, always wanted him to do.



World sprint champion Dan Jansen of the United States just missed breaking the the 1,000-meter record Monday in a time trial.

# U.S. Skater's Brother Arraigned for Murder

LORAIN. Ohio - The brother of U.S. Olympic ice dancer Elizabeth Punsalan pleaded not guilty Monday

to a charge of aggravated murder in the stabbing death of his father. Ricardo Punsalan, 20, waived his right to a preliminary hearing and Lo-rain Municipal Judge Gustalo Nunez turned the case over to the Lorain County grand jury. He ordered Punsalan held without bond.

with family members before the hear- of St. Thomas Catholic Canal ing, court officials said. g, court ornicals said. He was arrested after his mother and

a brother found Dr. Ernesto R. Punsa-An antopsy showed Punsalan died of An antopsy showed Punsalan died of Regional Medical Center in Elyria.

An Matus said. One wound, in the Regional Medical Center in Elyria. lan, 57, stabbed in his bed. blood loss, Lorain County Coroner Paul Matus said. One wound, in the

chest had pierced the heart, and one in had been receiving treatment for psy-

and partner, Jerod Swallow, were to arrive in Norway with the other U.S. Ricardo Punsalan's medication switch.

Punsalan, in a statement issued earli-

kilometers) west of Cleveland. "My father was proud of my skating used in combating depression and thievements and would have wanted mental illness.

me to go on to Lillchammer," she said.
"I will try to skate my very best there in

Punsalan, 23, and Swallow, 27, won the ice-dancing competition Jan. 7 at the U.S. Figure Skating Championships in Detroit. They had married in September and live in Pontiac, Michigan. Ricardo Punsalan had been released

on a weekend pass from the psychiatric omity grand jury. He ordered Punsa-un held without bond. unit at St. Joseph Hospital and Health Center in Loram on Friday afternoon, Punsalan was allowed to meet briefly said the Reverend John J. McCaffrey

The cider Punsalan, a general surgeon, was aware of his son's problems but didn't want to commit him to a

the upper abdomen had pierced the stomach, Matus said.

Officials would not comment on a motive.

David M. Tocchi, a neighbor and family friend, said Ricardo Punsalan and his father never fought. "I never The U.S. Olympic Committee said heard Dr. Prinsalan raise his voice to Elizabeth Punsalan and her husband any of his kids or hit them," he said. Tocchi said he also was aware of

"I know he was on Prozac at one time and that he just was switched over er, said she would compete at the Games in tribute to her father. He was stabbed Friday night in the family's what he is taking now or what he was home in Sheffield Lake, 20 miles (32)

Prozac is an anti-depressant drug

### Jansen Gives Warning: Just **Misses Mark**

HAMAR, Norway - World speed skating sprint champion Dan Jansen sent his rivals a warning Monday when he just missed breaking the world 1,000-meter record in a time trial.

The U.S. skater sizzled round the track in a personal best of 1 minute, 12.40 seconds, 0.14 seconds inside the world mark set by Canada's Kevin Scott last December.

The trial was not timed electronically but by stopwatch, which Jansen's coach, Peter Mueller, said was usually 0.2 seconds too fast. The corrected time would be

about 1:12.60. "That's good enough. We'll take it," said a smiling Mueller. "It's the first time he's ever been below I minute 13 seconds,

Jansen, who has raced in three Olympics bot never won a medal, also finished first in a 500-meter trial, recording 35.90. He set the world record of 35.76 last month in

skaters the chance to get used to the super-fast rink at Hamar. Russia's Sergei Klevchenia and Alexander Golubev finished second and third behind Jansen, in

36.20 and 36.30, respectively. "That's not bad at all, it's totally satisfactory for a time trial," said the Russian coach, Boris Vasilovsky.

dropped him into a tie for seventh. Miller did not three-putt a bole all day, a fact that is remarkable, given his ongoing hattles with the

His putting got so bad that it drove him from the PGA Tour after his 1987 victory.

INTERNATIONAL CLASSIFIED

(Continued From Page 4)

Publicists' Dream, **Moralists' Horror** yous, painfully inarticulate, she

Before Tonya Harding's life went from hard times to television's tabloid "Hard Copy," before Nancy Kerrigan became America's victim-ized sweetheart and her attackers became America's most wanted, these Winter Olympics figured to be a placed gathering in Lillehammer,

Norway, of familiar participants and redundant accomplishment. the last Winter Games, in Albertville, France. Many athletes have remained in training, not having to shelve their Olympic hopes for the customary four-year wait.

Bonnie Blair and Alberto Tomba are back hoping to win their fourth and fifth gold medals; Dan Jansen is back, too, still hoping to win his first. The idea behind this Olympic restructuring, the separating of the Winter Games from the shadow of

The stories of Blair, Janseo and Tomba as well as the return to Olympic ligure skating of gold medalists Brian Boitano, Katerina Witt and Torvill and Dean have been overwhelmed by the Jan. 6 clubbing attack on Kerrigan.

has contravened the tattered Olym-pic spirit of fair play and sports-manship, the specter of one athlete's associates attempting to incapacitate another athlete for competitive and financial gain. Even as Juan Antonio Samar-

anch, president of the International Olympic Committee, cootinues to call for a truce from the fighting in Bosnia during the Games, he cannot guarantee peace in the genteel world of figure skating.

"It takes us down to the wres-

tling league," said Claire Ferguson. president of the U.S. Figure Skat-ing Association. "That's too bad." Harding's lawyers issued a statement Monday, The Associated Press reported. It said:

Tonya Harding is concentrating ou her preparation for the Olympics and working with her attorneys on a response to the request of the USFSA. We stress that in its statement the USFSA does not conclude that Ms. Harding has in any way been involved in any wrongdoing or in any way violated its code of ethics. Ms. Harding will respond to this request in compliance with the bylaws and rules of the USFSA.)

But in an odd, even perverse way, this is the best thing that ever happened to figure skating. The sport has gone from the sports page

to the front page.

The women's competition in Norway, CBS officials say, may provide the highest rating ever for an Olympic program. Some television executives are even talking Super Bowl ratings numbers.
"I don't think anything could

have done more for figure skating than this," said Tom Collins, a skating tour promoter from Minne-apolis. "It's too bad it had to happen this way. But it has."

Michael Rosenberg, an agent from Pahn Springs, California, who once represented Harding, said: "This has got all the elements of soap opera, Shakespeare and fairy tales. You've got a villain, you've got a heroine who looks like Snow White, and you've got this incredible drama. The kingdom is at stake." Kerrigan has become the most visible, sympathetic female athlete in the world. Two years ago, ner-

struggled to answer simple questions put to her at news conferences. Eleven months ago, at the world championships in Prague, she skated a disastrous long program, finished fifth and was caught by the television cameras saying "I just want to die" as she awaited her scores in the kiss-and-cry area.

She had a fragile confidence and Only two years have passed since had never skated a clean program in practice, much less in competition. winning a bronze medal at the 1992 Winter Games only because Har-ding, who finished fourth, feil in both her short and long programs.

But this attack has drawn Kerrigan out of a skater's sheltered life, has imbued her with a certain awareness and eloquence and, according to her coaches, intractable

"She might have fragile emotions the Summer Games, was partly to give the smaller, quaint Winter Olympics their own identity. Now they have one. The wrong one. Evy. "She's a very tough little girl. She's a fighter."

Can she win a gold medal? Yes. but the competition is wide open.

Even healthy, Kerrigan will not have skated before judges in nearly three months. She will not have competed against any of her Olym-pic opponents in four months. Surya It is a story unlike any other that Boosly of France, the European champion, is a more skilled jumper. world champion Oksana Baiul, the 16-year-old orphan from Likraine, is a more elegant skater.

Chen Lu of China is another formidable rival and potential medalist. Harding and Japan's Midori Ito, who has since turned professional after winning the silver medal in the 1992 Olympics, are the only two women to have langed a triple axel. the most difficult of jumps because it requires three and a half revolutions in the 2ir.

"I have to skate the performance of my life," Kerrigan has said.

If she does, and wins a gold medal. her comeback would earn Olympic mortality, as well as \$10 to \$15 million in endorsements, appearances, tours, clinics, skating camps,

even movies. By mid-January, some 35 movie-of-the week offers had come through the transom, producers eager to tell the story of her blue-collar upbringing, the daughter of a welder and a hlind mother from Stoneham, Massachuseus, who overcame all the odds 10 become Rocky on skates.

"If she wins, she will be the biggest thing in the history of figure skating," said Collins, the promoter. "She'll do better than Dorothy Hamill and Peggy Fleming comhined."

Whatever happens at the Olympics, figure skating will never be looked upon the same. Its delicate porcelain world has shattered. A glamour sport has been exposed for its pettiness and vicious one-up-

In the coming weeks, the Olym-pic ice hall will be full and the rest of the world will be watching the figure skaters, if for all the unin-

"This robs the Games of such an important ideal, fair play," said John Ruger, who represents athletes as a member of the U.S. Olympic Committee. "It happened with Ben Johnson. He was one person who screwed up, but he robbed the Games themselves of something. That's what burts so much."

- JERE LONGMAN

### SIDELINES

#### Lewis to Fight Jackson, Duva Says

NEW YORK (AP) — A arbitrator has ruled that Lennox Lewis can defend the WBC heavyweight title against No. 4 contender Phil Jackson, sometime in May, instead of against No. 1 Oliver McCall, promoter Dan Duva said Monday.

"After a Lewis-Evander Holyfield match fell out because the IBF and WBA ruled Holyfield must defend their titles against Michael Moorer" on April 22, we wanted Lewis to fight Jackson, but the WBC refused to

Merrett Steirheim, appointed by the American Arbitration Association, has ruled in Miami that Lewis could fight Jackson first and that the natch must be sanctioned by the WBC, Duva said.

### NHL's Lemieux Ponders Retirement PITTSBURGH (AP) — A discouraged Mario Lemieux says he may retire if his chronic back problems prevent him from returning to the

Lemieux, expected to rejoin the Pittsburgh Penguins for Friday's game in Detroit, pulled out after another painful setback during a morning practice. He hasn't been on skates since.

"I don't know when I'm going to be back," Lemieux said Sunday. "If I don't play again this year, I'm going to have to make a decision" on retirement "this summer."

#### For the Record

That Farmers Bank beat Omani Club of Oman, 2-1, for the Asian Club soccer championship in Bangkok, with J-League champion Yomiuri-soccer championship in Bangkok, with J-League champion Yomiuri-verdy getting third place by beating China's Liaoning, 4-1. (AP) The Briffsh Open golf tournament will pay a record £110,000 (\$162,800) for first place this year, a 10 percent increase, officials

Andre Agassi, sidelined since the U.S. Open with tendinitis in his right wist, said he plans to return to competition in two weeks at a tennis (AFP) tournament in Arizona.

Tubby Raymond, Delaware's footbell coach, on why his team doesn't have a booster club. "I don't want to organize my own lynching mob."

# Miller Comes From Far Back, 1987, to Win at Pebble Beach Watson collapsed down the stretch, three-putting both the 16th and 17th holes to fall out of the called Carmel Hell. He bogeyed them all and finished with a 78 that

PEBBLE BEACH, California -There is always something of a vaguely mystic quality to the golf and the surroundings here. But old Pebble Beach has never been as mysterious and dreamlike as Sunday when, out of the mists of

time, a retired golfer stepped up and won the AT&T Pebble Beach National Pro-Am.
Johnny Miller, 46, playing in just his fifth tournament since 1990, reappeared like some specter from nother era. He then beat his nerves and he beat Tom Watson

Pebble Beach seven years ago.
"That didn't really happen," said
Miller, whose final-round 74 gave him a total of 7-under-par 281, one stroke better than Watson and three other players — Jeff Maggert, Corey Pavin and Kirk Triplett who never really threatened. "It was a mirage. It was weird, like the whole thing wasn't happening. I

Flags flew as a skier trained on the cross-country course, but the crowds were yet to come.

had this strange sense of calm."

He was the only one who did. For the other players on the rainy, windy and cold day, nerves were as jagged as the Monterey Peninsula's down the stretch for his first tour-rocky coastline.

Herald Eribune

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lead. He finished with a 74 when

his birdie attempt the 18th hole stopped short, dead on line. Dudley Hart, the third-round

leader who began the day at 10

under par, ran afoul of that most

scenic and most deadly portion of Pebble Beach — the eighth, ninth

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WASHINGTON — It used to be a small part of the commu-couldn't care less. But a female nications business, but "checkbook" teenager with a heart of stone is journalism" is now playing a major worth a fortune because the media role in bringing people the news. are oot only talking print rights Without it one cannot operate book rights and TV rights but also competitively in the world's second

Lawrence Loving, a producer of the hard news show "Peeping Tom," told me.

"Practicing checkbook journalism isn'i as easy as it sounds. Every show has a checkbook, and if you want to beat the compe-tition you have to get there first."



Buchwald

"I assume that when you refer to checkbook journalism you are talking about offering vast sums of money to people involved in a

"That's correct. When it comes to yellow jouroalism everyone has his or her price, and the checkbook journalist has to figure out what it's worth to the public. For example, a teeoage girl kidnaps the wife of her 30-year-old lover and shaves the woman's head. The girl is arrested. I want my news crew to be down there within the bour offering the teenager a king's ransom for her version of what happened."

"Suppose a hushand shoots his wife's lover. Is that worth any-

#### **Barnes Collection** To Extend World Tour

The Associated Press

NORRISTOWN, Pennsylvania —A judge has ruled that the Barnes Foundation can extend its world tour of 80 Impressionist masterpieces to two more museums.

The exhibition has traveled to Washington, Paris and Tokyo, where it is at the National Museum of Western Art until April 3. Judge Louis D. Stefan of Montgomery County approved the addition of the Kimbell Art Museum to Fort Worth, Texas, and the Art Gallery of Ontario in Toronto.

how much money the sweatshirts will bring in. The kids who work for me go out there with a blank eheck and I won't allow them to come

"Is checkbook journalism an invention of the tabloids?" "It was at one time, but now the TV shows are competing for the

same stories. Show me a woman who operated on her busband with a carving knife, and I'll show you a lady who can get a 70-percent share of the audience."

"How do your reporters practice checkbook journalism?" "Let's say a person high up in

government circles is caught sneaking out of his house at 4 in the morning to rendezvous with a nude dancer from the Bijou Theatre, and his valet offers to talk. First, we would pay the valet for his up, then we would open a Swiss bank account for the stripper. We would also make sure that nobody else got to them by putting them up in a safe house in Disney World."

He continued, "Unfortunately, the days of cheap news are over, and now all the players have agents. Consequently, we have to put up a lot more money than we used to. The witnesses in the Michael Jackson scandal are now charging more to tell their story to the media than he was paid to give a concert. Freedom of the press is much more costly than the public

realizes."
"So," f said, "you are looking for people trained in checkbook journalism. Where do you find them?" "We have to train them our-

selves. The journalism schools are pretending that it doesn't exist, so they refuse to teach their students that when it comes to getting a scoop, money talks,"

"Let's say that you come across two hot stories at the same time a person who has seen Senator Packwood's diary and one who was in the same needlepoint class as Mrs. Bobbitt, Whieb ooe would you choose?"
"We'd just cut up the money

between them."

# Black Americans Visit an Indifferent Paris

By Roger Cohen
New York Times Service

PARIS — Attending a conference here on the relationship between black American artists and Europe, Professor Henry Louis Gates Jr., the chairman of the department of Afro-American studies at Harvard University, was surprised to find himself mistaken for a taxi driver.

There I was standing in the lobby of my ehic Latin Quarter hotel, io my handmade suit, Burberry coat and Paul Stuart scarf, when this French couple comes up to me and asks whether I'm their cabdriver," Gates said. "I was polite, I just said no. At the time I was angry, but thinking about it later, I was furious. Those guys

just weren't seeing me."
Time was, black American writers and painters came to Paris precisely to be seen and recognized, to become visible after the "invisibility" of life in the United States, as captured by Ralph Ellison. Here the air was less oppressive, and artists including James Baldwin, Richard Wright, Beauford Delaney, Ed Clark and Herbert Gentry came to savor it.

"Paris is where I find myself," Delaney, who painted luminous portraits of the French writer Jean Genet, said in the

But today, with a wave of more or less avowed racism sweeping Western Europe as it grapples with a long recession and a wave of immigrants from Eastern Europe and North Africa, the situation is rather different.

The French government has recently introduced legislation making it more difficult for immigrants to gain French nationality. Interior Minister Charles Pasqua bas said he intends to fill buses, planes and boats with deported immigrants in a drive to turn France into what he has called a zero immigration" country.

For the many black American artists attending the three-day conference held in the French Senate last week, Paris was elearly a place for a stimulating sojourn rather than any spiritual haven. "A real nice village," as one participant from New York put it.

But the conference, called "A Visual Arts Encounter: African-Americans and Europe," took place amid virtually complete indifference from the French press and Paris galleries, despite the presence of such distinguished artists as Raymond Saunders, Sam Gilliam, Faith Ringgold, Dewey Crumpler, Betye Saar and Martin Purvear.

Where men like Baldwin were cult figures in Paris, and later the Black Power movement fascinated French intellectuals, turning the city into what the French writer and teacher Michel Fahre once called "a





Pascal Proven tieff), Joil Robins - Assess France-Press

The artists Faith Ringgold (left), Raymond Saunders and Betye Saar and a detail from one of Ringgold's works.

assage leading to the continent of negritude," the French capital now seemed merely uninterested. "Almost nobody came from the Paris galleries, despite my invitations," said Maica Sanconic, a French woman who was one of the orgapizers and is a director of the contemporary trans-Atlantic arts program of the California College of Arts and Crafts in

"If the artists had been white Americans, they would bave come. But somehow the gallery owners here imagine these people are second category. Even the curalor of the Musec Scita, which is currently exhibiting Jean-Michel Basquiat, failed to

Basquiat, whose powerful, disjointed canvases have been seen here as carrying an essential symbolism of the black condition in the United States, is one of the very few black American artists to have gained a strong following here in recent years, being hailed by one critic, Nicholas Bour-riaud, as a "black Picasso."

Basquiat's early death - in 1988, at the age of 27 — has added to his mystique, Puryear's sculptures have also gained a considerable following.

But if the conference remained fairly

anonymous, this very anonymity evidently amounted to something of a liberation for some of the artists present. Several ex-pressed frustration with what they called the increasing difficulty of open debate in an American society so taken up with according the proper respect to the rights and culture of each ethnic group that open exchange sometimes collapses under the deadening weight of political correctness.

"I don't do black art," said Saunders, who spends part of his time in Paris and has had successful shows at the small Galerie Resche in the Latin Quarter. "I'm just a black person who happens to be a painter. Separation won't work; us against them woo't work. What worries me is that nobody is being protective of the human quality of what we're all about."
Saunders, a professor at the College of

Arts and Crafts, added: "Paris seemed like a good place to get these views aired." Crumpler echoed such thoughts, urging

the conference to "unload some of these African-American questions, and spend less time worrying about all this baggage we bring over here, and more time thinking about our art." But politics tended to dominate the discussions, leading Saar to lament that "the art aesthetic has not been brought out here much."

Gates was delighted by what he called the freedom of the exchange. A moderator on one of panels, he suggested that some of the views expressed — such as Sann-ders's statement that he does not "do black art" - would have "caused fury in some academic circles in the United

Ringgold, whose colorful quilts have gained a wide following in the United States, expressed a rather different view from Saunders. "I don't believe that to say you do black art means you're segregated," she said. "There is no art that comes out of nothing. Images have a color, and the most significant image is one's own. Mine is black. That's good and I love it."

Having first visited in Paris in 1961, when she found berself more welcomed as a black woman than in many parts of the United States, Ringgold was struck by the changes that irked Gates. "In 1961, I could just walk into any botel here and that was groovy because that wasn't the case in America," she said, "I felt freer. But today I don't think African-Americans come to Europe to gam recognition. It's easier to establish yourself in America: If anything, you just come here to broaden your

#### **PEOPLE**

#### Whoopi's Early Oscar: She'll Host the Show

The Oscars have a host: Whoopi Goldberg will do the honors when the Academy Awards are presented on March 21. An Oscar winner herself (for "Ghost"), she's the first woman and first black to serve as host of the show. Goldberg replaces Billy Crystal, who has hosted the show for the past four years.

The feminist writer Germaine Greer, who unwittingly opened her bome to a male journalist claiming to be destitute, said she would sue for invasion of privacy. Swarms of reporters besieged Greer's home near Cambridge, England, after she offered bed and board to the homeless. But Martin Hennessey, a Mail on Sunday reporter, managed to convince Greer he was destitute. In the Guardian, Greer said she was suspicious, but took him in believing he was mad, brain-damaged or on anti-depressant drugs.

Demi Moore and Bruce Willis have a third daughter: Tailuish Belle. The couple's other children are Russer, 5, and Scout, 2.

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See JAPAN Page 3

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The London stage production of "Sinset Bonlevard" is getting a new leading lady: Betty Buckley. She takes over for Patti LuPone, who drew mixed reviews in Andrew Lloyd Weber's musical. The show will shut down in March and reopen on April 7. . . A High Court judge has granted an injunction pre-venting "Maxwell: The Musical," about the late media tycoon Robert Maxwell from opening in London this week.

Of all the fund-raising campaigns to promote safe sex, Playboy has come up with a unique one, featur-ing a pictorial in which a score of celebrities take off their clothes to help fight AIDS. The feature in the March issue includes crotic photos of the actresses Somia Braga, Mariel Hemingway, Sandra Bernhard and Shannen Doherty. They are quoted discussing the virtues of safe sex and condoms. All of the celebrates donated their time, and proceeds go to benefit AIDS research.

INTERNATIONAL CLASSIFIED

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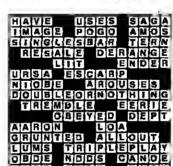
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25 Babes in Toyland" star, 1960

28 Head of the

23 Tugs

Solution to Puzzle of Feb. 7



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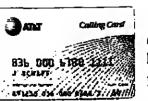
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